

The NATIONAL UNDERWRITER



FINANCIAL STATEMENTS DECEMBER 31, 1950

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. Organized 1855	\$12,625,000.	\$103,339,366.	\$59,095,773.	\$44,243,593.
The Girard Fire & Marine Insurance Company Organized 1853	1,000,000.	10,147,710.	6,856,269.	3,291,441.
National-Ben Franklin Fire Insurance Company Organized 1866	1,000,000.	9,795,730.	6,388,425.	3,407,305.
Milwaukee Insurance Company of Milwaukee, Wis. Organized 1862	2,000,000.	26,621,995.	17,269,325.	9,352,670.
The Metropolitan Casualty Insurance Co. of N. Y. Organized 1874	1,500,000.	34,858,112.	26,225,057.	8,633,056.
Commercial Casualty Insurance Company Organized 1909	1,000,000.	39,807,677.	30,226,458.	9,581,219.
Royal General Insurance Company of Canada Organized 1906	100,000.	425,988.	24,127.	401,861.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE

10 Park Place
Newark 1, New Jersey



WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver, B. C.

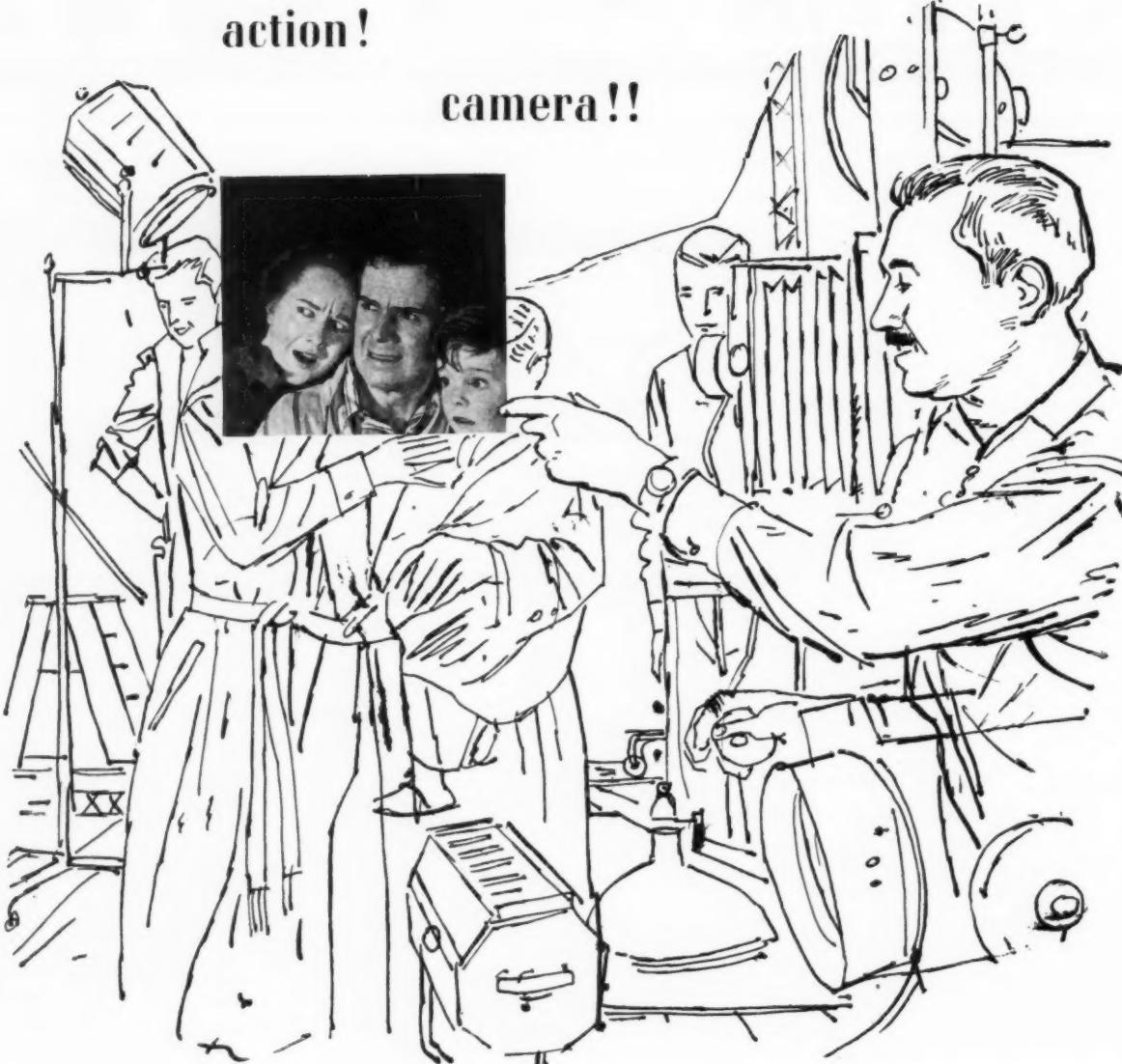
PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

THURSDAY, APRIL 19, 1951

action!

camera!!



In the studio of Victor Keppler, noted photographer, three professional actors are before the camera. They have been worked up to a high emotional pitch by the director. Glycerine has been applied to redden their eyes. A man, a woman and a little boy are watching their home burn. The photographer must catch that look of shock as they watch their possessions go up in smoke and listen to the weird sounds of the holocaust.

"Ever hear a house scream?" is the title of the advertisement for which this picture is being made.

It is the first in a new series of full-page advertisements of the North America Companies. These advertisements will appear in full color in *The Saturday Evening Post*, and in black and white versions in *Collier's*, *Look*, and *Better Homes and Gardens*, during 1951.

This new dramatic series—designed to open doors for the Agent—will tell his story to more magazine readers than North America has ever reached before. The sales-minded Agent will take full advantage of the opportunities it creates . . . and profit.

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" Companies which meet the public demand for practically all types of Fire, Marine and Casualty insurance, Fidelity and Surety Bonds. Sold only through Agents or Brokers.



Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire and Marine Insurance Company

Full Agenda Is
Reviewed by State
National Directors

Commission Policy One of
Key Issues at New
York Session

NEW YORK—A reiteration by the commission committee of its original policy declaration, with one exception; assertion of agent ownership of expirations under installment or similar plans; the naming of a metropolitan agents committee, and a comment on unwarranted intervention in insurance legislation by outsiders, especially insurance buyers, were features of the midyear meeting of the National Board of State Directors of National Assn. of Insurance Agents here.

Commission Policy Report Stands

At the last meeting the report of the committee on commissions was put over to give more time for consideration of the subject. A rather limited amount of written comment was received and given careful study. In addition, the committee has analyzed the rather large volume of healthy oral discussion.

The committee, headed by R. M. L. Carson of Glens Falls, N. Y., however, stands substantially on its original report. Admitting that additions, deletions, amendments, or even reversals, may become advisable in time, and while recognizing merit in some of the written suggestions received, found none that justified their inclusion in the proposed policy.

Uncertainty as to the exact meaning of principles 5 and 6 convinced the committee that the intention of these principles should be clarified, and it substituted the following, in place of 5 and 6:

"5. That the National association is opposed to the exercise of unilateral commission control by insurance companies or rate making bodies, without prior consultation with agency forces in the territory or jurisdiction affected."

The committee report indicated it regards the policy on commissions as a statement of guiding principles expressed in broad and general terms, under which the insurance industry might find common grounds in thoughts for ethically and legally sound, fair and practical commission procedures. The intent is to assist the states that feel that they want help in establishing and maintaining reasonable and adequate commissions for their agents.

Expirations Under Installment

The executive committee adopted a statement on installment payment of premiums with reference to the relationship between agents and companies growing out of the practice of writing term fire policies in installments. It called attention to the Oct. 14, 1937, agreement that was executed by National Board and Insurance Executives Assn. concerning ownership of expirations by the agent.

It added that this "declaration applies to all fire insurance term or other policies written on an installment basis or under any other plan providing for subsequent payment of a premium; that

Eastern Agents Reaction
Mild to Added E. C.

Few Questions Raised;
Recent Developments
Are Reviewed

NEW YORK—Real heat over the additional extended coverage failed to develop at the Eastern Agents Conference here, though the stage was set to sift any complaints agents may have had. E. S. Cowles, Jr., Hartford, the chairman, had Morton V. V. White, Allentown, Pa., chairman of the eastern conference committee, and F. W. Doremus, secretary Eastern Underwrit-

ers Assn., on the dais to outline developments and answer questions. Interest of agents in seeing copies of the additional E.C., some of which were distributed by Mr. Doremus, suggested to some observers that agents had not yet had an opportunity to read the form in exact detail. One agent asked if squirrels could be eliminated from the

(CONTINUED ON PAGE 36)

President Melvin J. Miller
Gives Stirring Message
at New York

Insurance men everywhere should work together to protect the future welfare and prosperity of the American agency system and of the insurance business itself from the continuing glorification of a paternalistic, beneficent federal government, too much of which goes under the label of being necessary for the national defense, Melvin J. Miller, president of N.A.I.A., told eastern agents.

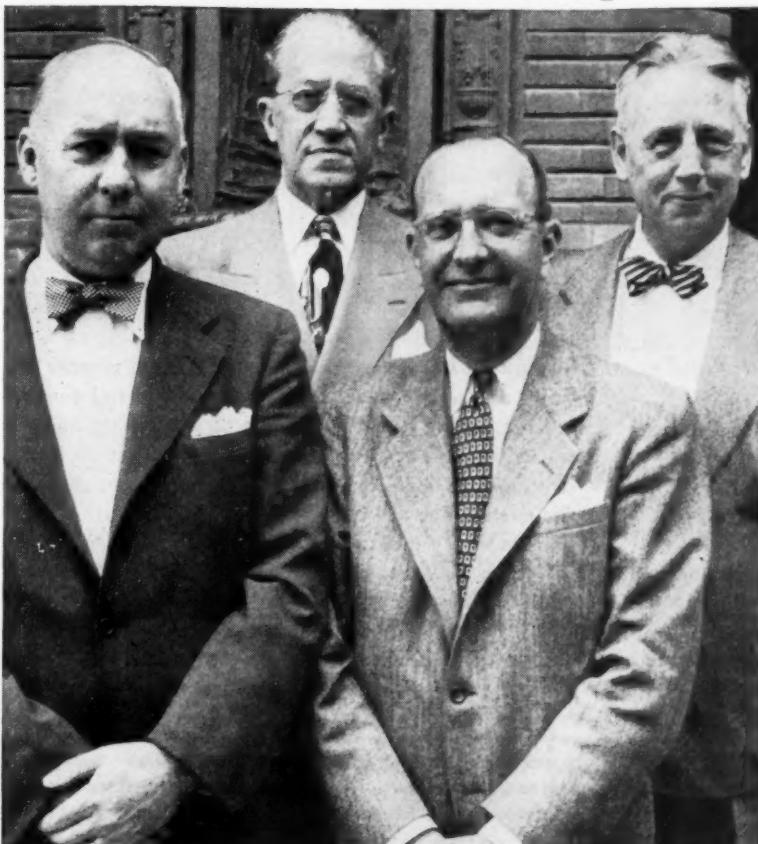
Many problems besetting the business, Mr. Miller said, can be solved through the conference procedure at local, state and national levels. As a by-product of this procedure, an exceptional opportunity is presented for the development of new leaders through group discussions. Anti-coercion laws in all states should be another goal. He emphasized that agents must continue their efforts "if we are to make state regulation stick against the little by little encroachment of the federal government."

Agent-Company Cooperation

So long as concerted action is avoided and the free flow of commerce is not interfered with, agents are perfectly at liberty to discuss among themselves and with company organizations ways and means toward mutual betterment, Elmer Miller, insurance editor of New York

(CONTINUED ON PAGE 36)

W. U. A. Officers at Annual Parley



Officers of Western Underwriters Assn. at the annual meeting at St. Augustine: E. H. Born, secretary-manager; M. E. Peterson, Springfield F. & M., vice-president; John P. Young, Jr., American, president, and Leonard Peterson, Home, vice-president.

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Excess Cover on
N. C. State Buildings
in Eight Companies

Ostot Handles Placement
After Legislature Authorizes Added Protection

RALEIGH, N. C.—Excess cover insurance on North Carolina's state-owned buildings has been spread among eight companies, Commissioner Cheek announced.

Sharing in the coverage on approximately 450 buildings valued at \$103,432,308 are: Federal, 37 1/2%; Fireman's Fund, Great American, Aetna, Centennial Fire and American Equitable, 10% each; U. S. Fire, 7 1/2%, and Fire Association, 5%.

Mr. Cheek said arrangements for the excess cover were handled through Sherman G. Ostot of Raleigh, executive secretary of North Carolina Assn. of Insurance Agents, after the legislature approved the deductible plan for insuring state buildings for losses in excess of \$50,000.

Self-Insurance Since 1945

The state has been a self-insurer since 1945, but under the plan proposed to the legislature this year by Commissioner Cheek the excess cover will relieve the state property fire insurance fund of liability for losses which exceed \$50,000. The coverage applies only to those buildings which, with their contents, have a value in excess of \$50,000. The 450 buildings which range in value from \$50,000 to just over \$5 million represent a little more than one-third the valuation on all state-owned buildings. According to a revaluation recently completed by the insurance department, all state buildings are valued at approximately \$275 million. There was no limit placed on the amount of insurance.

After the bill was enacted into law, Commissioner Cheek contacted Mr. Ostot, who in turn asked fire companies handling excess cover insurance to submit bids on the state coverage. Two bids were secured, and the lowest—by Federal—was accepted. Federal's bid quoted a rate of nine cents per \$100, or an annual premium of \$93,007.

Decide on Annual Basis

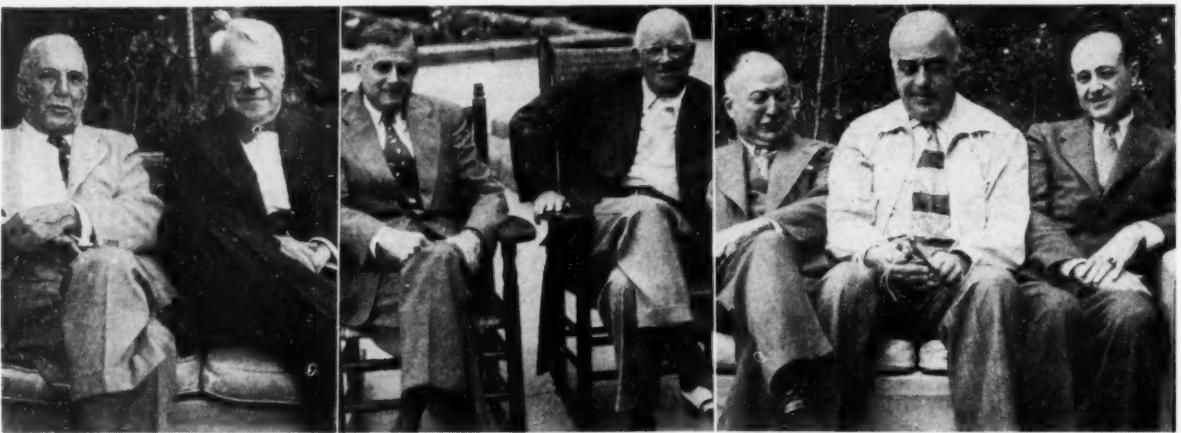
Federal's quotation was subject to the term rule, and a two-year premium would have cost only 1 1/4 times the annual rate. However, Commissioner Cheek said it was decided to purchase the insurance on the annual basis initially because during the first year he intends to have a complete appraisal made, in conjunction with engineers of the fire companies, which he believes will substantially lower the rate in the future.

After Federal's bid had been accepted, Mr. Ostot handled negotiations with the companies. The risk was spread according to the proportion each company would accept. Contracts were let as of noon April 16. Federal had planned initially to accept 25% of the risk.

Mr. Ostot said bids were solicited from 16 different groups of companies but that many advised him they were not writing the excess cover deductible.

Passage of the commissioner's state property bill raised the question of ap-

(CONTINUED ON PAGE 39)



AT EASE AT W.U.A. MEETING AT ST. AUGUSTINE: Ivan Escott, executive vice-president of Home, and Charles H. Smith, western manager of Hartford Fire; Everard P. Smith, U. S. manager of Norwich Union, and C. W. Ohlsen, western manager of Sun; R. E. Minner of Chicago, vice-president of Home; W. A. Rattelman, president of National Union, and Charles E. Dox, western manager of London & Lancashire.

Four Are Named Honorary Members of W.U.A.

Elected to honorary membership at the convention of Western Underwriters Assn. at St. Augustine, Fla., were George C. Long, Jr., former president of Phoenix of Hartford; H. A. Yates, former president of National Union; Paul B. Sommers, former president of American, and Robert S. Buddy, who has had to retire as vice-president of Glens Falls because of failing eyesight.

Memorials were read for Raymond

Waldrone, who was vice-president and secretary of Detroit Fire & Marine, and for John M. Thomas, who was chairman of National Union.

A telegram of greetings was sent Hayes McKinney of Chicago, W. U. A. attorney, who, due to illness, missed his first meeting in many years.

During the convention talks were made by Donald B. Sherwood, general adjuster of National Board; Ben Jones, manager of Cook County Loss Adjustment Bureau, and Curtis Welborn, president of Underwriters Laboratories. An effort has been made to hold a

W. U. A. meeting in the near future at Colorado Springs as a compliment to the Pacific Coast contingent with which the western organization shares responsibility in the Rocky Mountain field. However, accommodations have been impossible to get there.

Pacific Fire Centenary

The 100th anniversary of the incorporation of Pacific Fire of the Mesoerole group is being observed next Tuesday, April 24.

Rocky Mountain Conference Names Fritchle Chairman

Agents Want More Representation—Ashton Urges Central Bureau

COLORADO SPRINGS — More than 500 attended the annual meeting here of the Rocky Mountain Territorial Conference for agents from Colorado, Wyoming and New Mexico. Guests were on hand from Denver, Kansas City, Chicago, Hartford, New York and the west coast. The Wyoming association was host.

Foster L. Fritchle, Colorado Springs, was elected chairman, succeeding J. M. Christensen, Laramie, Wyo. Jack Brandenburg, Taos, N. M., was advanced to first vice-chairman; James M. Kellett of Denver became second vice-chairman, and E. G. Jackson of Laramie was elected secretary.

Seek Advisory Status

The conference in its resolutions recommended Fire Underwriters Assn. of the Mountain States on its public relations program, and asked that in the interest of a better company-agent relationship, agents in the Rocky Mountain territory be accorded representation in an advisory relationship on bodies having to do with forms, filings, or procedures.

The resolution cited the "increasing competition in this territory from insurance companies whose forms, rate filings and procedures place them in a more favorable position to provide the insuring public with insurance coverages suitable to its needs;" declares that many of the insurance company executives who influence changes in these forms, rate filings and procedures are too far removed from the pulse of the public in this area, and that the agents' voice in the consideration of such problems "is far too remote and therefore too ineffective or too slow of accomplishment."

Ashton's Suggestions Controversial

Some highly controversial suggestions, including the setting up of an all-inclusive bureau for all lines, were offered by J. L. Ashton, Milwaukee, new chairman of the Midwest Territorial Conference, speaking on "Company-Agent Relations." He made two concrete suggestions he feels will be helpful to the business and the insuring public:

1. That all bureaus and official committees be brought under one National Bureau. This is for both fire, marine, casualty and surety. There can be several departments of that bureau. With multiple line writing, which we will be doing more and more, where one contract will be all-inclusive, how can the industry, and particularly you and me, operate by having several different bureaus, with different thinking, all to be consulted about one contract?

2. Pending such time as one all-inclusive bureau be established, that membership on all bureau committees be rotated among company officials, with no one member serving on the same committee longer than five years and not eligible to repeat except after a lapse of five years. This would bring the industry some new refreshing leadership.

Concluding his talk, Mr. Ashton asked: "Are you and I, as agents, and all the other agents of this country doing our part in helping to create better company-agent relations? While we have our troubles, let's remember that the companies have a few too. Since it

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Taint Your Problem?

Sure it is. And you can't give it the cold shoulder. Not when your client says—

"My meat-packing firm employs a direct system of cooling, with ammonia as the refrigerant. I have a Boiler and Machinery policy covering the refrigerating system. When a rupture occurs in the refrigerant piping in one

of the cold storage rooms, the ammonia gas escapes and comes in contact with the stored products and contamination results. I know the loss of the piping and the refrigerant are covered under the policy, but do I have coverage for the meat products spoiled by contact with the ammonia gas?"

It's a meaty question! Know the answer? Or are you just by-passing plenty of profitable Boiler and Machinery prospects because you think it's too technical? It isn't! Not if you bone up with our latest "True or False." Write the Advertising Department for your copy.

ROYAL INSURANCE COMPANY, LIMITED—100th ANNIVERSARY IN THE UNITED STATES

ROYAL-LIVERPOOL INSURANCE GROUP

CASUALTY • FIRE • MARINE
150 WILLIAM ST., NEW YORK 38, N.Y. INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

ROYAL INSURANCE COMPANY, LIMITED • ROYAL INDEMNITY COMPANY • AMERICAN & FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE CO., LTD. • NEWARK INSURANCE COMPANY • QUEEN INSURANCE COMPANY OF AMERICA

THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LIMITED • GLOBE INDEMNITY COMPANY • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE

EXAMINERS REPORT

Only Mild Criticism Made of N.A.U.A. Operations

NEW YORK — In its report on the examination of National Automobile Underwriters Assn., the New York insurance department makes several recommendations. These in general reflect only moderate criticisms of N.A.U.A.'s operations and as is customary, the association was allowed ample time to respond before the report was issued.

N.A.U.A. put into operation in 1946 a new, detailed statistical system, which the report states appears to be functioning satisfactorily and efficiently. It provides for monthly or quarterly reporting of detailed and classified experience of companies, placing the organization in a position to obtain for the deliberation of its committees experience which more closely approximates current results.

Too Much Delay

However, the report notes that because of the procedures of association committees, their long delay in final formulation of rates and pressure from members and producers in connection with post war revisions, much of the work of the statistical division was considerably modified. Due to the delay caused by the review of staff rate proposals by the many committees, experience trends not apparent or available at the original date of proposal soon become evident and opportunity is given members and producers to inject personal and other considerations into the rate deliberations or to cause modifications subsequent to promulgation when only average results reflecting latest experience should be the criterion for rate changes.

The principal recommendations and suggestions made in the examination, which was conducted by Abraham Silver of New York, Frank Montesani of California and Howard C. Newell of Ohio, are set forth below. Immediately following is the reply, in substance, of J. Ross Moore, manager of N.A.U.A.

Subscribers' Rights

1. Statutory rights of subscribers should be more fully set forth in the constitution.

Any insurer is eligible and may apply for N.A.U.A. services as a subscriber. While signifying its willingness and intentions to abide by association promulgations, it is in full possession of all statutory rights as to deviations. Also, the constitution sets out that where it is in conflict with applicable laws in a jurisdiction, it is inapplicable there. These two constitution provisions set forth and protect fully subscribers' privileges. There has been no adverse suggestion from any subscriber since 1945 when N.A.U.A. facilities were made available to such companies.

2. Subscribers should be accorded some voice in consideration of important changes in rating methods or coverage.

N.A.U.A. frequently receives from subscribers viewpoints on underwriting procedures, rating methods, etc. These are always reviewed by its rating bodies.

Fewer Committees Recommended

3. The number of committees should be reduced and action on staff committee, general rate or rule proposals should not be unduly delayed.

N.A.U.A. recognizes the retarding effect of its present committee organization and a study thereof is under way aimed at more expedition on rates.

4. The association should obtain the necessary data to justify and indicate all elements in the permissible loss and expense formula including provisions for a reasonable profit.

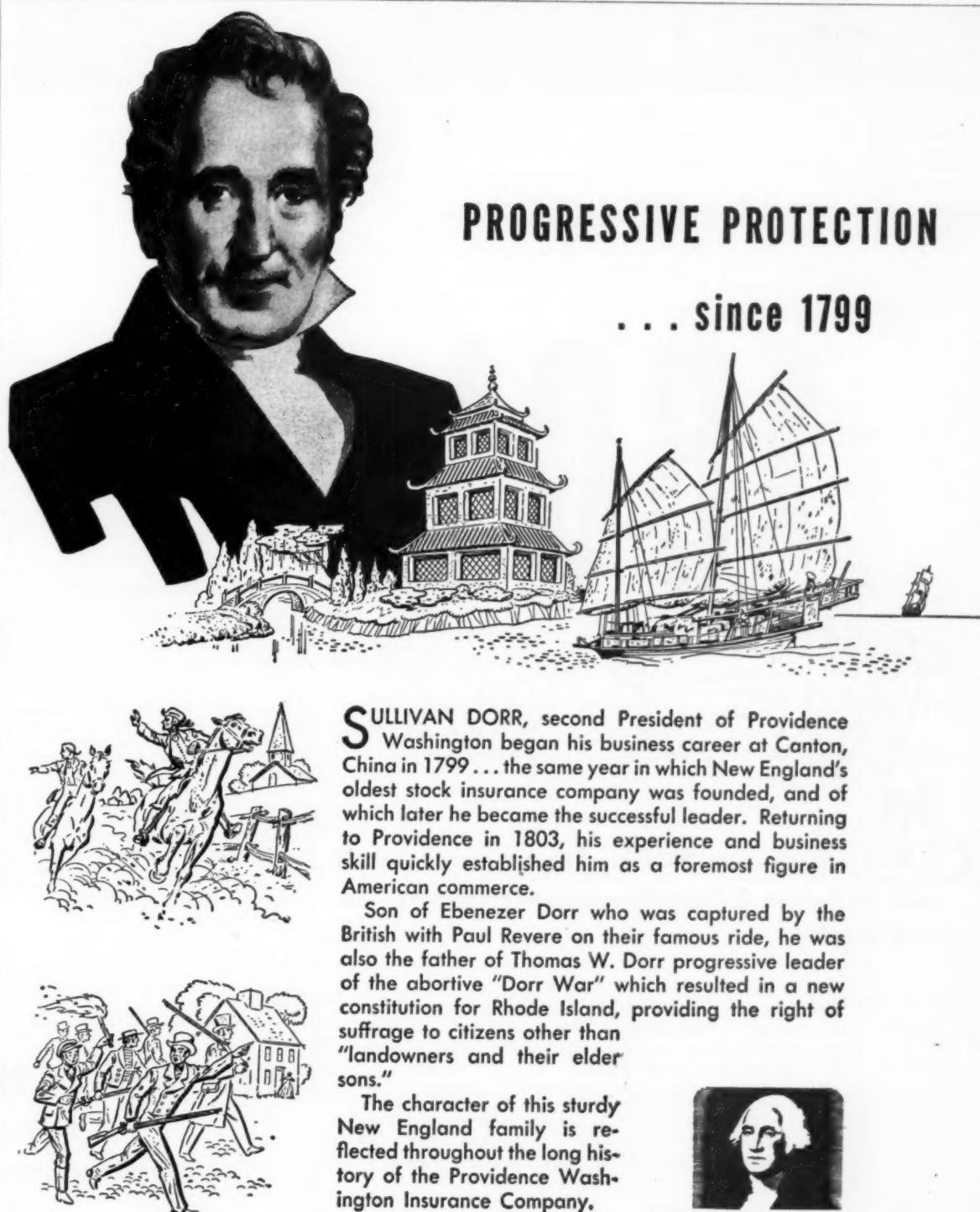
The association has asked members and subscribers to file insurance exhibit, parts I-VI for 1949 and each subsequent

year. The statistics applicable to M.V. physical damage coverages have been consolidated and will furnish a basis for a study of the expense formula as well as of the minimum premium referred to below.

5. There appears to be no need for two methods of rating, actual value and stated amount; one should be eliminated. Since the war there has been a much closer comparison between stated amount and actual cash value premium bases results. Also the results statistically were shown by a test in New York state to be very close together, the percentage of difference in loss ratio being 0.1%. The two forms are offered as optional coverages and insured has the right of selection. The convenience to producers, the added simplicity in the handling of a large volume of business through producers, and the increased accuracy resulting from pre-computed premium levels under the ACV basis undoubtedly have contributed to a reduction in the expense of handling the business.

6. Experience and related information on minimum premium risks should be tabulated separately. Also, a study should be undertaken by N.A.U.A. to determine expense costs necessary for issuance of a policy.

At the time of examination N.A.U.A. already was arranging for an independent study of expense costs necessary for the issuance of a policy. Frogatt & (CONTINUED ON PAGE 20)



SULLIVAN DORR, second President of Providence Washington began his business career at Canton, China in 1799 . . . the same year in which New England's oldest stock insurance company was founded, and of which later he became the successful leader. Returning to Providence in 1803, his experience and business skill quickly established him as a foremost figure in American commerce.

Son of Ebenezer Dorr who was captured by the British with Paul Revere on their famous ride, he was also the father of Thomas W. Dorr progressive leader of the abortive "Dorr War" which resulted in a new constitution for Rhode Island, providing the right of suffrage to citizens other than "landowners and their elder sons."

The character of this sturdy New England family is reflected throughout the long history of the Providence Washington Insurance Company.



**PROVIDENCE
WASHINGTON
Insurance Company**

FOUNDED 1799

PROVIDENCE, RHODE ISLAND

PROVIDENCE WASHINGTON INSURANCE COMPANY • PROVIDENCE, RHODE ISLAND



INFORMAL GLIMPSES AT W.U.A. MEETING AT ST. AUGUSTINE: L. H. Simonton, Braerton, Simonton, Brown general agency Denver; Roy A. Sellery, treasurer of Western Adjustment; Raymond T. Sweeney, U. S. manager of Caledonian; James B. Thomas, secretary of National Union; Mrs. E. A. Henne, wife of western manager of America Fore; John A. Smalley and Jeff Shedd of Chicago law firm of McKinney & Carlson.

Continue Pa. Mutual Hearing

HARRISBURG, PA.—The Pennsylvania department has alleged a deficit of \$43,565 in proceedings against the General Mutual Fire Insurance & Rein-

surance of Philadelphia. Another hearing to determine if the company should be liquidated was to be held yesterday. Counsel for the company said that the company is absolutely solvent. A department examiner stated that the deficit

does not include a potential contractual liability of \$129,349 in unearned premium reserves—a reserve not required by this type of insurer. Losses and expenses during the past five years, the examiner said, have been averaging \$1,0847 on the premium dollar.

The examiner charged that the company, prior to its 1950 annual report "put into the report as income" about \$60,000 for premiums on policies canceled after the report was submitted. He said \$50,000 was involved in a similar accounting move in 1949 and \$23,000 in 1948. He added that 59% of the company's business came from excess brokers at New York City.

The mutual was organized in 1910 at Smethport, Pa., as McKean Grange Mutual Fire. Officers are George E. Bayer, president, and John Markle, secretary-treasurer.

Day Hits at Back Door Efforts to Influence Decisions

Ill. Director Cites RFC Probe as Indicating Public's Attitude

Director Day of the Illinois department last week took a hefty swing at those who would seek to influence the department's decisions by any backdoor approach. He denounced the sort of influence-peddling that has been criticized in the Reconstruction Finance Corp. and said there wasn't going to be any of that sort of thing in the Illinois department.

The occasion was a meeting of the Chicago Assn. of Life Underwriters, but Mr. Day made it clear that he was not singling out the life insurance agents as special targets but was using the opportunity to utter a warning to the insurance business generally.

Mr. Day was unable to deliver his talk personally because of illness. It was read by Deputy James Ross.

Many Decisions Quasi-Judicial

"Many of our decisions are, under the law, quasi-judicial in character and it is essential that those decisions should be arrived at purely on the merits and entirely without favoritism or pressure," said Mr. Day. "I am sorry to say that a few people in the industry apparently have not understood our efforts to follow these principles. There are certain individuals who seem not to have read about the RFC investigation and the public reaction to influence-peddling and 'good-guy' government."

"By now I hope all of them have found out that there is no inside track or back entrance to our department. I hope they also found out that important disputed issues are not going to be decided in little private sessions at which only one side is represented."

Approached Day's Relative

"I have not been complimented by some of the approaches people have attempted to make. One man who was interested in an important question before our department seemed completely unabashed in telling me he had gone to a close relative of mine to try to get him to influence my decision. It is an environment from which all of our state insurance departments must shake themselves fully and finally free. Right now I am trying to help one of my fellow

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1861



Christ was the year the Pony Express became history and the London & Lancashire Insurance Company, Ltd. was founded.

They galloped from St. Joseph, Missouri to Sacramento, California in 7 days, 17 hours! That was the record-breaking time of the Pony Express. For a dollar per half ounce your mail could be carried across 2,000 miles of unknown territory by 75 different ponies.

For 90 years now, ever since the last year of the famous Pony Express, The London & Lancashire Insurance Company, Ltd. has been growing in strength and stability to better serve its policyholders in all parts of the world.

THE London & Lancashire GROUP



THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

THE CINCINNATI INSURANCE COMPANY

an Ohio company

Owned and Operated by Ohio Agents

writing

Fire Extended Coverage & Auto Physical
Damage

HARRY M. TURNER
President

JOHN J. SCHIFF, JR.
Secy.-Treas.

2926 Central Parkway

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What Is the Agent's Place In Form and Rate Making?

By CARLETON I. FISHER,
Providence, R. I.

Controversies abound in the insurance business. Trade paper editors no doubt feel it their bounden duty to comment on them, but why pick on the agents in New England? An editorial in THE NATIONAL UNDERWRITER of March 8 started off like this:

"Agents in New England are as intelligent and friendly as anywhere else in the country, and they certainly have the right to criticize the companies—or anyone else—any time on any point. This includes the new additional extended coverage, which some of the New England agents have indicated in decisive manner they do not like. But we wonder what the agents hope to accomplish by indicating that they dislike the form so thoroughly they think agents ought not to sell it."

There were protests of this form by agents in many other parts of the country. But it looks as though we agents in New England must make much more of an impression on trade paper editors than do agents in other parts of the country. Neither do I remember reading anything along the line of advocating that agents refuse to sell this form. I did read the Hartford agents and the Boston brokers (not agents) had held indignation meetings but that's all.

No Conference Was Held

As chairman I can say that the New England Advisory Board, the semi-official regional consulting organization in New England on the agency side, hasn't held a meeting since E.C. No. 5 was announced; hasn't received a report from its conference committee, and certainly hasn't taken any action of any kind in connection with this form. It is true that since March 8 the Connecticut association took a poll and all I know is what I read in the papers which say the vote was unanimous that the form is disliked, but I didn't see anything about them refusing to sell it. Of course the form hasn't been approved by our respective insurance commissioners yet. I wonder if it will be.

This whole affair brings to a focus a difference in point of view, a widely divergent opinion as to the duties and responsibilities of an insurance agent. In discussing anti-trust laws with a good lawyer once, he told me something that has always stuck in my mind. That is, with reservations, that what individuals may legally do individually, they may do collectively.

Whether an individual agent has any duty to the companies he represents to

push or sell forms of policies or endorsements put out by the companies is a very debatable question. As an individual agent I do not admit I have any such duty if I do not like that particular policy or form. The amazing part of the present controversy is that one would think from reading about it that agents in suggesting, if they have, that they won't sell this form, have brought to light a new thought.

Agents have been refusing silently to

sell many forms for as long as there have been agents. They will continue to do so for as long as there are agents. If any company is so foolish as to think that their agents are going to sell all the forms the companies in their wisdom, or lack of it, put out, said company is crazy.

One Man's Meat

There are agents who want no part of A. & H. There are others who simply refuse to handle bonds. Every agent has his pet forms of coverage and his aversions. If agents suddenly and with unanimity feel an aversion to any particular form there must be something the matter with it.

Are agents employees of the companies

to be ordered about and told they must push and sell certain forms whether they like them or not? Not unless they work for some company like Liberty Mutual. Emancipation Day for the independent insurance agent came the day social security laws were first enacted. Up to that time the old line company executives used to like to think their agents were servants of the company even though technically independent contractors. But when tax time came along they suddenly were willing to advocate that agents were thoroughly independent contractors. If we study law we learn that the important line of demarcation is the right of direction and control.

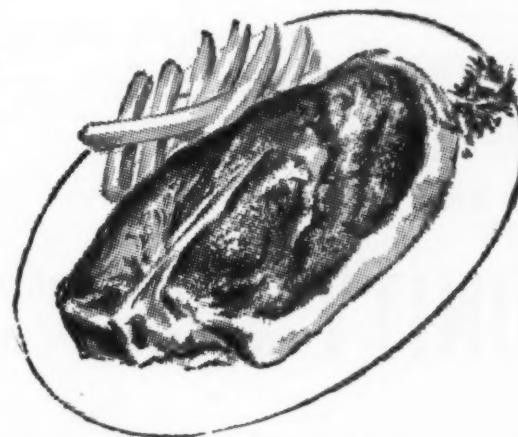
And so the companies cannot have

(CONTINUED ON PAGE 21)

As Brisbane said of beefsteak . . .

"Feed your mind more, your body less,"
the great editor Arthur Brisbane lectured young newspaper men. He urged constant good reading and illustrated the point by saying:

*"A prize fighter can not fight today
on the beefsteak he ate several
years ago."*



And so with an insurance company . . .

*Its present condition shows the job it can do, and
is the main concern of both Agent and buyer*

Insurance companies are subject to change. This constant process of change can be for better or worse. That is what makes the present condition of a company the primary consideration.

As with Brisbane's prize fighter, it is current management and financial fare that enables underwriters to provide adequate defense against insurable hazard.

In the safeguarding of Agent and

client, on the basis of *present condition*, THE LOUISVILLE is admirably equipped. Dependable performance is assured by diversified investments and outstanding liquid condition, reinforced by the important factor of strong admitted re-insurance.

Combined with understanding and loyalty, these considerations have helped THE LOUISVILLE to become known as:

"The Biggest Little Insurance Company in the Business"

LOUISVILLE FIRE & MARINE INSURANCE CO.

UNDER COMPLETELY INDEPENDENT MANAGEMENT

CHARLES G. TACHAU, President



L. M. Gauvreau of Tampa, state agent for Crum & Forster, and D. Cliffe Stone, Jr., of D. Cliffe Stone agency at Nashville at W.U.A. meeting at St. Augustine.

LESLIE MILLER, Exec. V.-Pres.

LOUISVILLE, KENTUCKY

Escott Plan Filing Rejected in N. C.

Cheek Says Statutes Require Rating Must Be Done in State

RALEIGH — Because of provisions in the North Carolina statutes, Commissioner Cheek announced he has disapproved the Escott plan as filed in North Carolina.

At the same time, he advised filing a plan that would comply with North Carolina statutes under which, he said, he cannot delegate to an out-of-state rating office some of the powers and duties of North Carolina Fire Insurance Rating Bureau.

In a long letter to the bureau and interested companies, the commissioner reviewed the history of the Escott plan from the time it was filed with his office Nov. 10, 1949. He concluded that such a plan could be legal in North Carolina but only if the rate making was done through the North Carolina bureau.

The rating bureau has backed the filing in North Carolina, while America

Fore strongly opposed it until recently, when America Fore offered its own plan and the opposing groups announced they no longer would fight each other.

Commissioner Cheek said he asked the rating bureau recently to consider both plans "in an effort to work out one plan applicable to all of the bureau's membership and in accordance with the laws of North Carolina." Instead, he said he was informed by letter of March 28 from Landon Hill, manager of the bureau, that the governing board had reaffirmed its filing of the Escott plan.

Mr. Cheek said that the bureau "having taken the position that it wants none other than the so-called Escott plan, it then became a question as to whether or not the same could be approved by the department."

Cites North Carolina Statute

He concluded, that cessation of hostilities between America Fore and Multiple Service Location Office "would have no bearing on the continuing effect of Section 58-131 (N. C. General Statutes), which provides: 'The rating bureau in making rates shall not unfairly discriminate between risks involving essentially the same construction and hazards and having substantially the same degree of protection.' There also arises the question as to whether or not if it could be found free of dis-



E. S. Purcell of Hartford Fire at Chicago and H. V. Tisdale of North British & Mercantile at St. Augustine meeting of W.U.A.

crimination, (the Escott plan) could be approved under the laws of North Carolina.

At each hearing on the plan, he noted, his department had raised the question of whether the bureau may under the statutes "surrender any of its jurisdiction with respect to the rating of any risks located in the state of North Carolina to a rating body outside the state. This objection," he continued, "might, in some measure, be met by the rating bureau's assumption of jurisdiction and full responsibility for the writing of that portion of the Multiple Location risks which are located in the state of North Carolina. The department has, at all times, and still does have, an open mind with respect to that approach."

Bureau Has Exclusive Rights

He pointed out various statutes creating and establishing the authority of the rating bureau and said: "It would appear that North Carolina Fire Insurance Rating Bureau is the only bureau permitted to promulgate and publish a fire insurance rate for a risk located in North Carolina. It would seem that the legislature was taking all precautions against the making of fire insurance rates for North Carolina risks by anyone outside the state, since the statute provides: 'The principal office of the bureau shall be located in the city of Raleigh, N. C., where all records shall be kept and all business of the bureau transacted.'

"Therefore, when the governing board of North Carolina Fire Insurance Rating Bureau, after more than one year's time has elapsed, still, even in the face of positive suggestions by this department for a possible solution, insists that they want no other than the plan devised, promulgated and to be operated by someone outside the bounds of North Carolina, there is nothing for the commissioner to do but to disapprove the same."

"In disapproving the plan as heretofore filed, the commissioner is aware of the need for a nation-wide plan for the writing of multiple location risks and that the laws of North Carolina do not prohibit such a plan. It would seem that an industry which, only a few years ago, became so conscious of the need for adequate state regulation as a protection to the industry itself, would not now feel that strict adherence to the laws of the individual states would be too great a burden."

Ohio Towns Reclassified

A number of towns in Ohio have been reclassified by Ohio Inspection Bureau: Manchester 8 to 7, Cheviot 6 to 5, Mt. Healthy 8 to 5, North College Hill 7 to 5, Degrass 7 to 6, Perry 9 to 6, Wilmoughby 7 to 6, Martins Ferry 6 to 5, Plymouth 8 to 7.

Fire Premiums Surge Ahead in First Quarter

Most of the fire companies report very substantial increases in premiums for the first quarter of the year. Some gains are running in the range of 35% are reported. The swollen inventories are believed to be in a large part responsible. There were some national figures the other day indicating that inventories are now in the neighborhood of \$63 billion as against about \$52 billion a year previously. Then, too, war orders are beginning to catch on and this is creating insurable situations. There appears to be a fresh impetus in the direction of increasing insurance to value. This new surge in business is causing speculation as to whether a new round of fund raising either by the common or preferred stock route, is in the offing for fire companies.

The losses have kept pace with the increase in premiums and this is attributed mainly to the severe winter conditions that prevailed over most of the country.

Education at Trenton

The New Jersey 1752 Club is holding an educational meeting Friday at Trenton, the speakers being Carl Toensmeier, independent adjuster of Philadelphia, who is speaking on casualty problems; Roy Allsopp, Grain Dealers National Mutual Fire, on agency account analysis; Joseph P. Craugh, general counsel for Utica Mutual, on "The Mutual Picture Today"; Henry K. Duke, a C. P. C. U. agent at Cumberland, Md., on "Hazard Survey Selling" and J. E. Fritz, A. & H. manager for Lumbermen's Mutual Casualty at Philadelphia, on "New Jersey Temporary Disability Law."

110 NORTHERN ILLINOIS

160 Miles from Chicago. 1950 Commissions \$25,000. Owner will sell for cash only.

113 TEXAS AGENCY

With a \$30,000 volume of Farm business in a small town, very good possibilities.

114 CHICAGO AGENCY

Mostly Auto-Fire and contents. Has general agents contract with stock companies. Sell for 1½ times the commission income.

For particulars on these and other agencies write or call.

FERGASON PERSONNEL

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FIRE AND ALLIED LINES
OCEAN AND INLAND MARINE

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PAUL RENE de MAGNIN, First Vice President
GARDNER M. LOUGHRY, Vice President

CHARLES W. REICHERT, Secretary
GILBERT KINGAN, Jr., Asst. Secretary

Statement as of December 31st, 1950

ASSETS

*U. S. Government Bonds	\$2,332,812.78
*Other Bonds	153,756.91
Common Stocks	1,105,350.00
Cash in Banks and Office	236,477.74
Balances Under 90 Days	73,368.09
Interest Due and Accrued and Other Assets	47,854.24
	\$3,949,619.76

LIABILITIES

Reserve for Outstanding Losses	\$ 370,366.09
Reserve for Unearned Premiums	1,768,418.44
Reserve for All Other Liabilities	191,299.03
Capital Paid Up	\$ 500,000.00
Surplus Over All Liabilities	1,119,536.20
Surplus to Policyholders	1,619,536.20
	\$3,949,619.76

*Bonds as above valued on amortized basis. Securities carried at \$189,780.69 in the above statement are deposited for purposes required by law.

90 JOHN STREET • NEW YORK 38, NEW YORK

Zone 2 Rate Men Braced for Rally

A list of topics has been announced for the N.A.I.C. conference on rate regulation and supervision of Zone 2 at the Francis Marion hotel, Charleston, S. C., April 30-May 1. The subjects include: Uniform filing requirements, inter-zone and intra-zone program of cooperation as a substitute for the Zone 1 resolution and interstate compacts. Also: The problem of obtaining those underwriting expenses which are peculiar to a state in view of the annual statement blank and expense exhibit now in use. Regulation or supervision of pension plans. If a company writes both 12 months and six months policies and charges one-half of the annual premium for the six month contract, is this rate unfairly discriminatory? This question was raised in Ohio.

Questions coming from North Carolina concern use of trends as a basis for general rate revisions and optional provisions in statistical plans. Ohio asks whether, if a company is a bureau member, it must adhere to the bureau filings for all classes for which the bureau promulgates rates and a subscriber only if the company elects to use bureau rates for a kind of insurance or a class of risk or combination thereof.

Can one rating bureau promulgate rates and forms to be used in connection with forms filed by a second rating bureau? Can Transportation Insurance Rating Bureau promulgate a rate and form to be attached to a form filed by a fire rating bureau? This question also comes from Ohio. Other questions are: Cancellation clause of automobile policies; five-day notice provision; auto liability insurance problem for military personnel; restrictive endorsements on liability policies; employers liability coverage under automobile liability policies; should the automobile fleet plan as filed be revised to include leased fleets?

Other questions involve the comprehensive dwelling endorsement for fire and allied lines, single interest endorsements and rating procedure, personal all-purpose policy, package policies, rating procedure for manufacturers output policy.

E.C. Volume Up Sharply As Result of Nov. Wind

A phenomenon of last November's big windstorm in the east was the very substantial increase in extended coverage premiums that began to pour in to company offices directly after the storm. Underwriters had assumed that prior to the storm practically all property owners carried E.C., but a proportion of the increase has come from new insured. Much of it, naturally, has come in way of increases in existing endorsements.

One large company reports that in the 11 states affected most by the November windstorm E.C. premiums in January were up about 40% over the 1950 monthly average. Another company estimates that beginning with December and continuing to date, the increase over the corresponding months of the preceding year amounts to about 17%.

The storm and subsequent examination of policies disclosed to many insured that amounts of E.C. they had been carrying were inadequate. If losses had been total they would have been greatly underinsured.

N. C. Model Responsibility Act, Firemen's Tax Boost Lose

RALEIGH — The model financial responsibility act and a proposal to increase contributions to the firemen's relief fund died in the closing days of the North Carolina legislature, which adjourned April 15.

The house declined to approve the financial responsibility proposal, which had cleared the senate and waited on

the house calendar for weeks, coming up for argument only two days before the end of the session. The vote in the house against the measure was overwhelming, an indication that it will be difficult to enact it next session, although proponents said they intended to try again in 1953.

Fire companies strongly opposed the proposal supported by firemen of the state to increase the firemen's relief tax from $\frac{1}{2}$ of 1% to 1% of fire premiums collected in districts with fire departments. Despite opposition of the companies, the measure cleared the house.

In the senate, the finance committee voted against it when the fire companies, through W. T. Joyner, Raleigh attorney, announced they would contest the constitutionality of the act if the assessment were doubled.

Ia. Legislators Active

DES MOINES, IA.—County mutuals in Iowa hereafter can file their annual statements up to March 1 the same as other companies under a bill passed by the Iowa legislature and signed by the governor. In the past the county mu-

tuals had to file their statements by Feb. 1.

Also passed and sent to the governor is a coinsurance bill to permit owners of commercial buildings to take out fire policies in which they agree to self-insure small losses.

The house passed and sent to the senate an anti-discrimination bill intended to protect Iowa companies operating in other states. The bill provides that if Iowa companies are discriminated against in other states the Iowa department can impose similar taxes on insurers from that state operating in Iowa.

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● Title..... Firm.....

● Street.....



Springfield School Program

The Springfield, O., board of education has adopted an insurance program presented by Springfield Assn. of Insurance Agents. Policies will be divided among the agents, thus precluding favoritism and providing for adequate coverage. The board will make a payment of \$18,698 to put the plan in operation. It is a five-year program and starting in April, 1952, payments of about \$4,000 will be made each six months.

VIRGINIA SURETY COMPANY, Incorporated

228 Superior Street Toledo 4, Ohio

Statement of Condition as of December 31, 1950

ASSETS

Cash in Banks	\$ 775,646.15
Bonds at Amortized Value	
U. S. Government Bonds	1,405,768.15
State and Municipal Bonds	168,709.53
Premiums in course of collection less than 90 days	224,099.02
Reinsurance due and in transit on paid losses	4,938.09
Accrued interest on investments	3,556.82
TOTAL ADMITTED ASSETS	\$2,582,717.76

LIABILITIES

Reserve for claims in process of adjustment	\$1,222,944.94
Reserve for unearned premiums	376,453.24
Reserve for taxes and other Expenses Accrued	75,867.07
Reserve for Income Tax	78,671.61
Balances due other companies for reinsurance	10,374.71
Capital	\$500,000.00
Surplus	318,406.19
Surplus as regards policyholders	818,406.19
Total Liabilities, Capital and Surplus	\$2,582,717.76

OFFICERS

OTTO L. HANKISON, President

WM. I. DILLON,
Exec. Vice-President

L. G. HANKISON,
Vice-President

GEO. J. LOVE,
Secretary-Treasurer

M. E. RODNEY,
Manager, Underwriting Dept.

JACK E. HANKISON,
Vice-President and Gen. Counsel

J. METZGER BENSON
Manager—Claims Department

CLARENCE W. IDARIUS, JR.
Ass't. Counsel and Claims Attorney

D. L. MAHER,
Manager, Safety Engineering Dept.

SPECIALIZING in the writing of BODILY INJURY and PROPERTY DAMAGE COVERAGE for LOCAL and LONG HAUL TRUCKING and PUBLIC PASSENGER CARRYING RISKS.

WANTED:

Casualty company representation for State of Georgia by General Agency that has fire agency plant of approximately 150 agents in state. Fire and automobile premiums in state exceeded \$500,000.00 in 1950. B. F. Eldredge, Vice-President, Southern Insurance, Inc., 79 Ponce de Leon Avenue, N. E., Atlanta, Georgia.

UPSTATE DOWN: N. Y. C. UP

N. Y. State Fire Rate Revision Produces Decrease of 1½%

NEW YORK—Under the statewide fire insurance rate revision in New York effective Monday Superintendent Bohlinger estimates that there is a dollar reduction of 1,959,000 and a percentage decrease of 1.5. There is, he calculates, a reduction upstate of \$2,345,000 or 3.5% and an increase in New York City of \$386,000 or .6%.

The revision was based upon the loss experience for 1945-49 as developed by concurrent department requested studies made by the department and by the N. Y. Fire Insurance Rating Organization.

In New York City the rates for brick office and bank buildings, fire resistive textile and cloth factories including laundries and dry cleaning establishments, and fire resistive food products plants were decreased 10%, while the rates for brick food products plants were increased 20% and the charges for miscellaneous fire resistive manufacturing risks and brick textile and cloth factories including laundries and dry cleaning establishments were raised 10%. There are increases of 5% for brick mercantile buildings and warehouses. The rates for mercantile stocks in brick and frame buildings were reduced 10% to 15%. Class rates in New York City for brick and frame dwellings and apartments were raised one cent for buildings and two cents for contents. A substantial increase was also made in the class rates for one-story brick stores.

Upstate Rates Reduced

Upstate rates generally were reduced. The rates for frame protected and fire resistive public garages, frame protected hotels (other than resort properties which received a 20% reduction in 1950), unprotected mercantile and office buildings and mercantile stocks in brick and frame buildings were reduced 10%. The rates for brick protected theaters were cut 20%, while those for brick protected public garages were reduced 25% and mercantile stocks in fire resistive buildings were decreased 5%.

Substantial reductions were made in private dwelling rates in the "Class O" territory which includes certain areas in Nassau, Suffolk, Westchester, Putnam and Rockland counties. The reductions bring these rates into line with those charged for similar risks in other upstate regions.

Charges for the absence of lightning rods and for non-standard roofs in certain upstate rural areas were eliminated.

The reductions are applicable to policies having inception dates on and after April 16, but where rate increases apply, renewals of policies having commencement dates before May 31 may be written at the rates in effect prior to these changes.

Mass. Agents Meet Oct. 30-31

The annual meeting of Massachusetts Assn. of Insurance Agents will be held at Boston Oct. 30-31.

The third in an educational series sponsored by the Massachusetts association will be held April 30 at Andover Country Club, with the four boards at Lowell, Lawrence, Haverhill and Newburyport participating. This one will be on fire.

Four former Liberty Mutual employees have joined the Wilkinson-Todd Insurance Service of Cleveland, they being L. S. Frost, H. P. Foster, A. E. Schmidt and J. R. Cleary. The agency has set up a crime prevention analysis service under the supervision of Mr. Frost.

Move to Create Farm Mutual Wind Catastrophe Pool

Progress was made on a plan for setting up a windstorm catastrophe pool for farm mutual insurers at a windstorm conference of National Assn. of Mutual Insurance Companies at Chicago, with H. J. Requartte of Farmers Mutual of Nebraska as chairman. The plan was approved subject to later revisions and will be circulated among farm windstorm insurers for study and suggestions. The timetable calls for final action to be taken at the annual meeting of N. A. M. I. C. at Detroit in October.

The plan calls for a reinsurer to act as administrator of a fund in behalf of the participating companies. The fund would come from deposits and assessments and it was decided tentatively that a participating company must have accumulated a safety fund equal to at least 20 cents per \$100 of windstorm insurance in force and that its underwriting practices, loss experience, management, schedule of rates and plan of assessment shall be acceptable to the reinsurer and the advisory committee.

To Set Up \$500,000 Fund

A fund of \$500,000 would be created before operations would start. There would be a minimum deposit per company of \$5,000. The deposit rate per million would be \$500 for the first \$10 million of net windstorm insurance; \$250 for the next \$15 million; \$100 for the next \$75 million; \$75 for the next \$100 million; \$50 for the next \$150 million and \$25 above \$350 million. If the deposits proved insufficient, the participating companies would be subject to assessment to a maximum of eight times the deposit rate.

The participating insurer would be responsible for paying its windstorm losses up to an amount equal to 40 cents per \$100 of average windstorm insurance in force. The reinsurer would pay the excess of this amount provided that total payments for excess windstorm losses during that calendar year do not exceed a like amount. There would be an advisory committee of nine members to control the investment of the fund, review charges made by the reinsurer and to determine deposit and assessment rates and to approve excess reinsurance contracts negotiated by the reinsurer. Maximum liability of the reinsurer would be limited to the amount of available funds accumulated from participating companies plus whatever excess reinsurance coverage might be acquired.

The insurance section of New York State Bar Assn. will hold a meeting June 22-23 at Saranac. James B. Donovan is chairman of the section and Raymond N. Caverly, vice-president of America Fore, general chairman.



Harvey Snediker, Western Actuarial Bureau, with Mrs. Roger Billings, whose husband is assistant western manager of Great American, at left and Mrs. Snediker at right, at W.U.A. convention.

Big M Held

The annual Fire Underwriters Insurance the Knights of Columbus joint separate s

R. D. International Mutuals man of the N. Harring general ch

William Illinois de with a tector Da could not Otteson, plment lems of a to write n was follo dwelling vice-presi Mansfield

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Win



Walter second l Freedom the colle his addre at John Fla., last made at birthday

Mr. F Fire & dent of Insur

Big Mutual Rally Held at Chicago

The annual meetings of Assn. of Mutual Fire Insurance Engineers and the Fire Underwriting Conference of Mutual Insurance Advisory Assn. were held at the Knickerbocker hotel, Chicago, the forepart of this week. The organizations met jointly on Tuesday, and attended separate sessions on Monday and Wednesday.

R. D. MacDaniel, Grain Dealers National Mutual Fire, was general chairman of the engineers' meeting and E. N. Harriman, Liberty Mutual Fire, was general chairman of the conference.

William Wall, chief examiner of the Illinois department, opened the program with a talk on deviation problems. Director Day was scheduled to talk but could not attend because of illness. Paul Otteson, actuary Federated Mutual Implement & Hardware, discussed problems of a fire company that is beginning to write multiple line business. His talk was followed by one on comprehensive dwelling endorsements by S. F. Coffin, vice-president Lumbermen's Mutual, Mansfield.

Forum Discussions Held

That afternoon there were forum discussions on underwriting procedures, personnel and coverage problems, development of underwriting personnel, and underwriting procedures for obtaining insurance to value. Discussion leaders were R. E. Nelson, assistant secretary Central Manufacturers Mutual; E. R. Sturgeon, vice-president Employers Mutual Fire, Wausau; W. C. Smith, assistant chief underwriter Liberty Mutual Fire, and Fred Greenwood, assistant secretary Lumbermen's Mutual, Mansfield.

The first day's program of the engineers, in addition to the business meeting, included sessions on controls for gas and oil heating equipment, safety controls for industrial ovens and driers, reduction of losses through correct stock piling and storage, and troublesome inspection problems. Participants were William L. Whalen, Liberty Mutual Fire; G. W. Ponton, Hardware Mutuals, Stevens Point; P. K. Bouska, Lumbermen's Mutual Fire, Mansfield; B. K. Southwell, Michigan Millers Fire, and Kurt Weiss, Employers Mutual Fire, Wausau.

The joint session Tuesday heard comments on mutual public relations by L. A. Fitzgerald, director of information

American Mutual Alliance. A panel then discussed 1950 extended coverage losses. Participants were Mr. Coffin, J. E. Eberly, claims manager Lumbermen's Mutual, Mansfield, F. D. Hawkins, manager property loss division Liberty Mutual, and Lester T. Jones, president Town Mutual Dwelling of Iowa. Other speakers that day were Horatio Bond, chief engineer, National Fire Protection, on "Preventing the Fires of War and Peace"; Norman H. Davis, secretary Underwriters Laboratories, "Fire Hazard Classification of Building Materials," and Jerry Seider, vice-president, and

Norman Trebilcock, regional vice-president, Badger Mutual Fire, "Practical Risk Analysis."

The engineers Wednesday were addressed by F. E. Butler, Mutual Fire Inspection Bureau of New England; C. F. Hedlund, Factory Mutual Engineering Division, and Harry H. Wolff, Western Actuarial Bureau. Election of officers followed the last talk and Jack R. DeHaven, Employers Mutual Fire, Wausau, was scheduled to move up from vice-president to president, succeeding W. C. Cotner, Central Manufacturers Mutual.

The conference program Wednesday included an analysis of loss and rate trends, time element coverages, current reinsurance problems, underwriting the farmers, automatic reinstatement, atomic energy, war damage, fire insurance deductible forms and rates, and multiple location rating plans.

R. Maynard Toelle, midwest supervisor for American Foreign Insurance Assn., will address the Insurance Society of the University of Wisconsin at Madison on May 24.

Higher dividends voted down —to better serve Policyholders

A significant re-statement of Company policy with regard to security and service was brought out by founder-President H. K. Dent at the firm's stockholders' meeting January 25, 1951. A stockholder had issued proxies in an attempt to rally enough votes to elect directors favorable to higher dividends. The board voted to continue the current rate of 75c a share—and the stockholders, when they heard the facts, overwhelmingly voted their concurrence even though the assets of the GENERAL OF AMERICA group increased over \$8,000,000 in 1950. At the meeting, President Dent said in part:

"IT HAS BEEN SAID that I have been obstinate and dictatorial in the matter of plowing earnings back into surplus instead of paying them out in cash to stockholders. Let us analyze the obligations of an insurance company—first, to the policyholders and agents, and then to the stockholders. If the fulfillment of those obligations can be considered either obstinate or dictatorial, I must plead guilty. As long as I am head of this organization, I feel it my responsibility to recommend continuance of this policy. Our single purpose has been and is to give the best protection that money can buy.

"The unprecedented enhancement in

value of your stock has been due entirely and its continuation still is dependent upon the large amount of desirable insurance written. The more we write, the greater the enhancement. On the other hand, we have been able to write this large amount of business because your directors have left the money in or plowed it back to give greater protection as well as superior claims service and savings to policyholders on preferred business. The combination of indemnity, superior claims service and saving to policyholders has been responsible for our outstanding success as well as the enhancement in value of your stock." This Policy will be continued.

Wins Honor Medal



Walter L. Hays, right, received the second highest national award and the Freedoms Foundation honor medal in the college commencement category for his address "What Made America Great" at John B. Stetson University, Deland, Fla., last summer. The presentation was made at Valley Forge on Washington's birthday by General Omar N. Bradley. Mr. Hays is president of American Fire & Casualty of Orlando and president of National Assn. of Independent Insurers.



GENERAL INSURANCE COMPANY OF AMERICA
FIRST NATIONAL INSURANCE CO. OF AMERICA
GENERAL CASUALTY COMPANY OF AMERICA

H. K. DENT, Pres. • HOME OFFICE: SEATTLE, WASHINGTON

March Fire Losses Up 3.4% Over Feb.

Fire destroyed an estimated \$71,507,000 in American property in March, according to National Board. This represented an increase of 3.4% over February and a decrease of 1.3% over the March, 1950, figure.

Independents May Soon Be Asking for Rate Increases

The independent companies that were putting in programs of automobile rate decreases up through the early part of 1950 are no longer being heard from on this score. They are feeling the bite of the badly worsening automobile B. I. and P. D. experience just as are the organization companies and they have

no stomach for making concessions to policyholders at this juncture. Some of the independent companies that do an omnibus automobile business have considerable fat on their bones from the physical damage experience, but they are clinging to their profits there as a means of cushioning the blow in the third party lines rather than slashing automobile physical damage rates. Some of the independents say that the auto B. I. experience is not too painful just now but that auto P. D. is making heavy inroads on surplus. It would not be surprising to see some of the important independent companies making rate increase filings.

One of the biggest casualty companies in the land had the worst month of its history in March.

Prepare N. Y. Mutual Card

Alfred J. Bohlinger, New York superintendent, will open the annual meeting of New York State Mutual Agents Assn. with his talk at the luncheon April 23.

There will be a showing of an agency management film, "The Magic Touch," and Robert Grant of Remington-Rand, will talk on office system and filing.

The following day, William Heineke, resident vice-president of Lumbermen's Mutual Casualty, will discuss "Selection and Training of Office Personnel." Frederic M. DuBois, vice-president of Merchants Mutual Fire, will talk on "Agency Advertising"; Paul C. Johnson, C. E. Chappell & Son will discuss "The Psychology of Collections," and Harry D. Anderson, New York city accountant, will talk on "Incorporation—Pro and Con."

In the afternoon there will be a series of talks on "What Lies Ahead" by Charles H. Kaletz, Syracuse advertising man; Joseph P. Craugh, counsel of Utica Mutual; M. L. Landis, counsel of Central Manufacturers Mutual; Walter F. Brooks, deputy New York superintendent, and Philip Baldwin, executive secretary of National Assn. of Mutual Insurance Agents.

Big Doings for N. Y. Women

Federation of New York Insurance Women's Clubs will hold its annual convention at Glens Falls April 21-22. Miss Claire Stewart, president of the Insurance Women's Club of Glens Falls and Saratoga, will give the welcoming address, and Miss Ethel Stevens, Buffalo, head of the federation, will preside. Marie Cadie, Gloversville, will moderate a forum on protection of free enterprise through insurance education. Justice Bergan of the New York supreme court appellate division, will speak at the annual banquet.

Frank A. Roberts, executive vice-president of the Glens Falls group, will install the new officers. Evelyn George of Glens Falls and Dorothy Jewitt of Saratoga are co-chairmen of the affair.

Talks on Hotel Safety

John J. O'Toole of F. D. Hirschberg & Co., chairman executive committee of Missouri Assn. of Insurance Agents and chairman N.A.I.A. fire safety committee, will speak on "Hotel Safety" at a meeting of Hotel Greeters of America at St. Louis April 26. A short sound movie on fire prevention also will be shown.

Beahrs Promoted by Home

Home has appointed John V. Beahrs as assistant marine manager at San Francisco. Mr. Beahrs, a graduate of the University of California business school, began his insurance career in 1935 in the marine department of Marsh & McLennan at San Francisco. After serving with Pacific Marine agency, and later with the navy, he joined the marine department of Home at Los Angeles in 1946. In 1947 he was transferred to San Francisco.

Study How to Improve Setup of N.A.I.A. Board

NEW YORK—The N.A.I.A. Board of state directors at its final session empowered its steering committee to appoint a committee of nine to study the constitution and by-laws of the organization and practices that have developed under the present system. Purpose is to seek to make the organization more economical and efficient. The nine will report at the Chicago annual in September.

Carleton Fisher of Providence brought up again the commission committee's policy statement, a revision of which he has advocated, but the reopening of the subject was voted down 33 to 11. However, Mr. Fisher personally was given a vote of confidence.

The previous stand taken by N.A.I.A. on the tax equality issues was reaffirmed.

State association secretaries were much in evidence at the New York gathering of eastern agents and state directors, and held a week-end session to go over matters of mutual interest.

Tells Rotary Agents' Story

Urban Krier, executive secretary of Wisconsin Assn. of Insurance Agents, in a talk before the Janesville Rotary Club, said that business and professional men expect everyone to do their buying at home through regular channels, but they often become a little socialistic when buying insurance. Mr. Krier stated that "They want to get it wholesale so they buy from cooperatives or mutuals set up by their associations to eliminate the insurance agent's commission. We must be logical about this. Patronize the local agent, instead of thinking that he is an unnecessary part of the economic setup and driving him out of business."

North British Names Two

R. D. Mueh has been named special agent for North British group in southern California with headquarters at Los Angeles. He has been with the group for several years at San Francisco.

D. R. Cole has been appointed special agent in Colorado, Wyoming and New Mexico. Since 1947, he has been with a local agency at Denver.

Oratory Winners Announced

John Decker, 17, of Milo, Me., is the winner of the national high school health and safety oratorical contest sponsored by Mutual Benefit H. & A. Second place went to Welthy Helstead, White Plains, N. Y.; David Meckler, Williamsport, Pa., was third.

Young Decker took away as first prize a \$4,000 cash scholarship, and his school wins a prize of \$1,000. Each contestant spoke on the subject: "Live Safely—Live Happily."

H. C. Carden, superintendent of agencies of Mutual Benefit H. & A., was contest chairman. Arthur M. Holtzman, resident vice-president at Rochester, N. Y., presided at the finals.

Bills Ohio Federation Opposes

The Insurance Federation of Ohio has announced its opposition to the following bills: Compulsory monopolistic disability insurance; compulsory automobile insurance; striking words "vendor" and "Agent," out of the insurance law regarding agents; authorizing fire companies to extend coverage to certain explosion risks; abolishing contributory negligence as a defense and establishing comparative negligence doctrine; requiring liability insurers to pay attorney fees on judgments against them on claims under \$200; compulsory auto insurance.

The federation has taken no stand on the multiple line bill because it is a controversial measure.

Claud H. Mahan, sales manager of the fire and casualty division of International Business Machines Corp., addressed Columbus (O.) Insurance Accounting & Statistical Assn.

The agent who was FOOT LOOSE and FANCY FREE



Many agents have big ideas that never amount to anything. Lack of company teamwork leaves them in the same position as the man in the cartoon whose blanket is too short—out in the cold.

If you feel that your own plans are hampered by an inflexible company attitude, slow service, and half-hearted cooperation, then it's time to get on the team with Pearl American. An army of agents throughout the country have learned to depend on us for help in converting their big ideas into big commissions.

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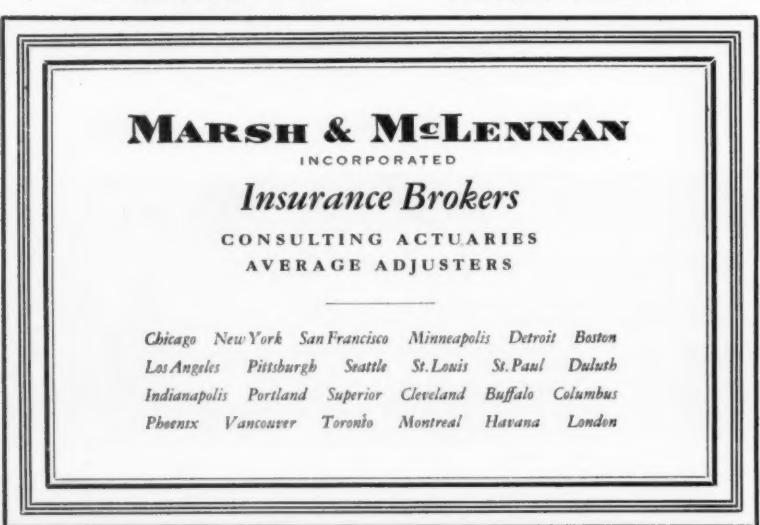
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Bristol, Conn., Agency Marks 100th Year

Peck, Barnard & Olmstead of Bristol, Conn., Monday celebrated its 100th anniversary by holding open house throughout the day. Three of its companies the agency has represented 100 years. Harry C. Olmstead, the present senior member of the firm, joined it 25 years ago. Many company people, friends and associates showed up for the celebration. It is one of the prominent agencies of the state.

Gauvreau Stresses Visual Selling in Chicago Talk

The women's division of Chicago A. & H. Assn. took charge of the April meeting at which Charles Gauvreau, general manager of Western Life of Canada and president of the Ontario association, spoke before an audience of 78.

Mr. Gauvreau, using a blackboard, went through his sales presentation, which emphasizes visual selling. He urged when talking to a prospect to "write it down." He said there are only two basic factors in the sale of A. & H. insurance, they being finding a need and creating a desire to own. If the problem of income-replacement can be gotten across, the policy will sell itself, he declared.

Miss Carrie M. Grae, Hooper-Holmes Bureau, president of the women's division, was in charge. Mr. Gauvreau was introduced by Mrs. Maryland Hull, Zurich, chairman of the women's division of the International association.

Clayton F. Lundquist, Lamb, Little & Co., president of the Chicago association, named Benjamin Groves, Travelers, as chairman of the nominating committee which will select the 1951 officers. John Campbell, Provident Life & Accident, announced that the association banquet will be May 24 with Guy Reed, executive secretary, Harris Trust & Savings Bank, Chicago, as speaker.

Rally of the Lawyers

Assn. of Insurance Attorneys will hold its annual meeting at Indianapolis Athletic Club, Indianapolis, April 28-29. There will be a brief morning session April 28, followed by a cocktail party and luncheon at which insurance people will be guests. At dinner that evening Albert Stump, president of Capital Indemnity, will give a talk on "The Province of the Court and Jury in Negligence Cases." Dick Mills, assistant trust officer of Fletcher Trust Co., will give a humorous talk. Then there will be a dance. The final session will be the next morning.

Wolverine Has Open House

Wolverine, which moved its home office from Lansing to Battle Creek late last fall, held open house this week. The new home office is in the Wolverine tower, tallest structure in downtown Battle Creek.

John H. Carton, president, H. Gordon Eason, vice-president, and Virgil Olin-gan, president Battle Creek Assn. of Insurance Agents, and Mrs. Margaret Lee, president Battle Creek Insurance Women, greeted guests.

Bickley Ohio Assn. Speaker

Dr. John Bickley, professor of insurance in the college of commerce at the Ohio State University, will address Ohio Assn. of Casualty & Surety Managers at Columbus April 23 on "Professional Trends in Casualty Insurance."

Thompson Now Director

L. R. T. Thompson has been appointed director of Available Garage Plan at San Francisco. He takes the place of L. G. Evans who resigned

because of the pressure of his duties as general service manager of National Automobile Club. Mr. Thompson has been field director of A. G. P. since it was organized in 1947. There are now 318 garages on A. G. P.'s list of automobile reconstruction shops in California. These meet the requirements of financial responsibility, knowledge, integrity and equipment.

Lack Authority to Insure

FRANKFORT — County clerks in Kentucky do not have authority to insure county and state funds against burglary and theft, Attorney General A. E. Funk advises Fidelity & Casualty in response to an inquiry. F. & C. said county clerks in New York are authorized to take such insurance. The official bond of county clerks protects both the state and the counties, and there is no provision in the Kentucky law authorizing a county clerk to take such insurance at the expense of either the county or the state.

Miss Rachel Fogg, Portland, was elected president of **Insurance Women of Southern Maine** at a meeting at Portland. Miss Jeavette Cloutier, Auburn, was elected vice-president; Mrs. Hazel Spear, Portland, secretary; Mrs. Francis S. Sawyer, Auburn, treasurer, and Miss Gertrude West, Portland, auditor.

Insurers Played Santa on Television Repairs

Insurance people in the east are still shaking their heads over the payments they made for repairing television antennae, following the Nov. 25 blow. They feel that they were imposed upon grievously by the television repair people. For instance, in many sections around New York the insurance companies were forced to pay \$9 an hour for television repair work, whereas the standard charge was \$3 per hour. In Nassau county they were faced with a flat charge of \$55 for any kind of work on a television antenna.

is in charge of the project. He will be supported by a grant of \$92,000. His findings will be made available to the public.

Glass Rate Changes Coming

Commissioner Gibbs of Texas has notified insurers that the rates for glass insurance will be revised effective on and after June 1 and hence he suggests that the issuance of June and later renewals be withheld until the new rates are available.

Westra Madison President

J. D. Westra, manager North American Life & Casualty, has been elected president of Madison (Wis.) Assn. of A. & H. Underwriters; Maurice J. Reese, vice-president, and Virginia M. Lynch, Illinois Mutual Casualty, re-elected secretary. Alfred K. Perego, Wisconsin National Life, Milwaukee, International association executive board member spoke. A. L. Anderson, Massachusetts Protective, Milwaukee, state president, installed the new officers.

Housh agency of **Kansas City** has moved its offices to new and larger quarters in the Columbia Bank building. Roy David and Roy D. Housh, Jr., are the principles.

To Study Health Spending

Columbia University is inaugurating a two-year study for Health Information Foundation to determine how the public spends approximately \$8 billion annually for private hospital and medical care. Health Information Foundations is a non-profit organization which collects and disseminates health information.

Oscar Serbein, Jr., assistant professor in the graduate school of business,

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Propane Haulers
Gasoline Haulers
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Workmen's Compensation
Dram Shop Liability
Comprehensive Liability
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Brenton Reef Lightship, anchored two miles off the coast of Newport, is usually avoided by coastwise vessels, for it marks the treacherous rock-bound shore where wind and wave vie in fury. Reconstructed of steel in 1935 after having been damaged by a gale, the self-propelled lightship has a 4,800 candle power light in a glass enclosed gallery atop her fifty-foot tubular mast. A radio signal warns lost and fog-bound ships carrying a radio compass of the exact position of the lightship.

The Pawtucket Mutual Fire Insurance Company began to serve its policyholders in 1848. Through the years, it has gained a reputation for sound underwriting principles which foster dividend payments and prompt loss settlements.

INCORPORATED 1848

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FIRE INSURANCE COMPANY
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Swing to 2-3/4s U.S. Moynahan Now Bonds Substantial Potomac President

There seems to have been a more substantial shift to the long term, non-negotiable $2\frac{3}{4}$ government bonds by fire and casualty companies than appeared to be the case immediately after the announcement of the higher yield issues. The insurers can of course show these bonds at their amortized value.

Out of a dozen companies, fire and casualty, large and small, less than half had more than 50% of their government bonds in long term issues, including the $2\frac{1}{2}$ s. Of that number, whose commitment to long terms ranged from 67 to 94%, all exchanged more than half of their $2\frac{1}{2}$ s for $2\frac{3}{4}$ s. Of the others, whose commitments to long terms were 7 to 35%, practically all exchanged all of their $2\frac{1}{2}$ s for $2\frac{3}{4}$ s. Two companies had made their move before the $2\frac{3}{4}$ s came out, one shifting to a short term position almost exclusively and the other selling off the $2\frac{1}{2}$ s and purchasing other than government bonds as replacement.

Increased fire losses have stultified trade in fire stocks. There is at the moment practically no movement. Casualty stocks have been fading slightly, even of those companies whose fidelity and surety account last year put them substantially in the black. This is considered due largely to the effect on earnings of automobile and liability losses.

Separate Department in Nev.: Hammell Commissioner

Following the passage by the Nevada legislature of an act creating a department of insurance, Governor Russell has appointed Paul Hammell as insurance commissioner, and the appointment has been confirmed by the Senate. The appointment officially is as of April 1.

Heretofore all insurance matters were handled through Peter Merialdo, state controller.

PHILADELPHIA — Potomac has elected Edward T. Moynahan as president of the company. William Bernhard and John S. Kaufman, vice-presidents, were elected directors. These actions follow the recently announced retirement of John H. Grady as chief officer of General Accident in the U. S. Mr. Grady who since 1938 has been president of Potomac, will continue to be a director.

Mr. Moynahan and Mr. Bernhard have been since Jan. 1, joint U. S. general managers for General Accident. Mr. Kaufman is deputy general manager.

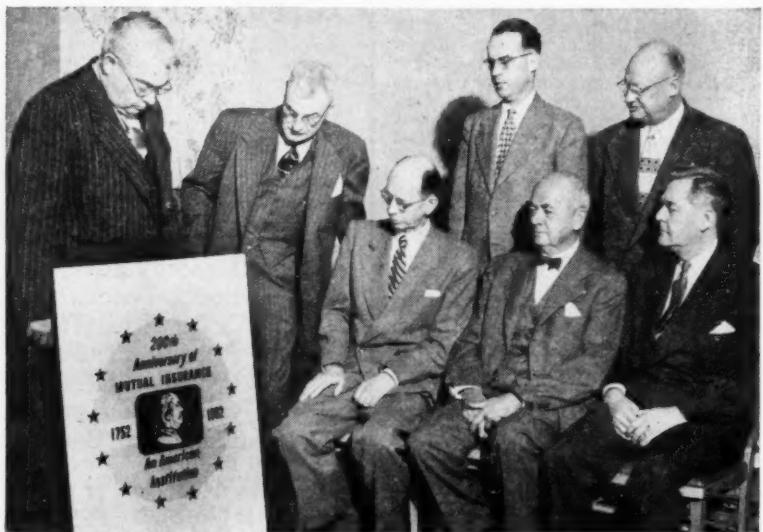
Writes Book for Layman Buyer of Fire and E. C.

"Know Your Fire Insurance and Extended Coverage" is the title of a new 94-page cloth bound book issued by Canyon Press, 132 Beekman street, New York. The author is Eugene E. Demarest, member of the New York bar, who has been at one time or another an agent, a broker, an insurance consultant and an adviser in the fields of mortgage financing and real estate.

Mr. Demarest's book is written for the layman. It is readily and easily understood. The layman will find directions and aids for making an intelligent purchase, for taking the necessary care while the policy is in his possession to make necessary changes and for presenting a claim. In addition to prominent side headings through the book, it is liberally indexed.

This book, while written for the policy buyer and owner will be of great value to anyone who is starting to sell fire and extended coverage and wishes to get a basic understanding of the contract and of ways in which he may serve the buyer. The price of the book is \$2 for all except those in New York City where the city tax of 4 cents additional must be paid.

Prepare for Mutual Anniversary



Mutual fire and casualty companies in 1952 will participate throughout the year in a national program observing the 200th anniversary of mutual insurance in the United States.

The actual anniversary date is March 25, marking the founding by Benjamin Franklin and a group of Philadelphia business men of "The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire" in 1752. The company is still in existence.

J. H. R. Timanus, secretary-treasurer of Philadelphia Contributionship, has been elected chairman of the anniversary committee. The celebration will be opened officially with a symposium at

Philadelphia on March 25. National plans include educational exhibits, a history of mutual insurance, and special events in many cities.

Pictured at the meeting of the executive committee at Philadelphia are L. A. Fitzgerald, (left), director of public information of American Mutual Alliance, standing by the bicentennial symbol. Others standing from the left are: K. L. Wright, Michigan Mutual Liability; Robert Mattox, Liberty Mutual; J. C. Stapel, Farmers Mutual Windstorm of Missouri. Seated are A. B. Arnold, National Retailers Mutual; Mr. Timanus; J. H. Parsons, State Farm Mutual Automobile.

April 19, 1951
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Vincent Gives Inspiring Message at San Francisco

Lewis A. Vincent, general manager of National Board, gave a talk "Cool Heads, Courage and Cash—Fire Insurance in San Francisco Yesterday and Today"—at the luncheon Wednesday of San Francisco Insurance Day commemorating the 45th anniversary of the San Francisco earthquake and fire. This was sponsored by San Francisco Chamber of Commerce and San Francisco Commercial Club.

The San Francisco disaster remains the most destructive and costly fire in the history of the nation, he declared. In those dark hours the future of the city and of stock fire insurance companies hung in the balance. Confronted with almost insuperable difficulties both faced the future with cool heads, courage and determination. That hour of adversity marked the beginning of a more vital and important place in the economy of the nation for both.

Mr. Vincent recalled that the total property loss is generally estimated at \$350 million upon which there was about \$225 million of insurance. The company executives recognized their responsibility to pay losses to the utmost of their ability, waiving technicalities, interpreting contracts liberally. Every facility was marshalled to handle the job. Temporary offices were erected, duplicate records assembled, adjusters and clerks put to work and the task of settling more than 150,000 claims was undertaken. All companies had to throw securities on the market and stockholders were summoned to pay large assessments. The president of National Board in 1907 said that the San Francisco conflagration swept away every dollar of profit previously made out of underwriting since 1860 and cost the companies besides \$79,708,174 for the period.

Weathered Greatest Crisis

The stock companies, he observed were able to weather the greatest crisis in their history.

Mr. Vincent pointed out that in 1906 insurance was limited mainly to fire and ocean coverages. In the November storm in the east the loss will run between \$125 and \$150 million, and yet most of these losses would not have been indemnified just a few short years ago.

Mr. Vincent said there is a projection that the San Francisco disaster would surpass a billion dollars at today's dollar value and the stock companies are far more capable of absorbing such a tragedy today. The assets of all the stock companies in 1906 were less than \$500 million while the insurance at risk in San Francisco was nearly half of that amount. In 1949 the assets were about \$5½ billion and the loss of \$1 billion today would involve less than one-fifth of the assets.

Mr. Vincent pointed out very vividly that in addition to the assets of the stock companies that are ready to come into play in an emergency, there are a great many services rendered that are important and essential in the economic, social and business life of the country.

\$500,000 Battle Creek Fire

A \$500,000 fire in Battle Creek, Mich., destroyed three stores and damaged several others all located on Michigan Avenue in the downtown shopping district.

Newspaper reports estimated the damage at \$1 million, but adjusters already on the job have made preliminary estimates ranging up to the lower figure. Much of the damaged property is insured.

The fire swept Power's department store, Brandl Brothers men's clothing store and a large section of the Stevenson camera shop, as well as several other stores.



John C. Harding, Chicago, executive vice-president of Springfield F. & M., and William A. Hebert, president of Springfield F. & M., at W.U.A. gathering at St. Augustine.

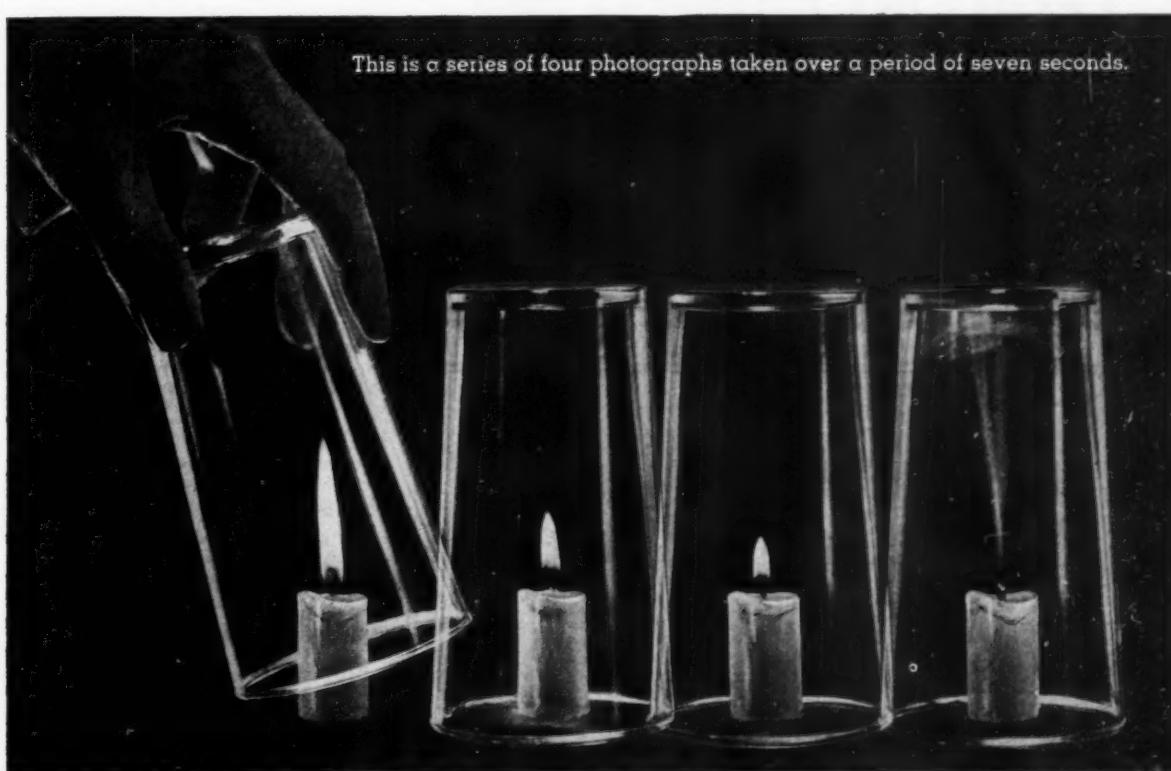
Nebraska Bill Would Revise Insurance Taxation Basis

The Nebraska legislature's banking, commerce and insurance committee has reported favorably a new premium tax bill which would revise drastically the method by which fire companies pay taxes. Under the present law, Nebraska counties collect taxes by county on the tax rate of their districts. This runs as high as 13% in some cases. The proposed law would call for a flat 2% on all fire and casualty companies, payable to the state. Domestic companies would pay .4%. Casualty companies have been paying a 2% tax.

The bill was favored by several of the domestic fire companies, which wished to be relieved of a high retaliatory tax. It met with opposition from some domestic companies doing business only in Nebraska, and from the local governments. The new law would allow 95% of the entire fire and casualty tax to go to the local governments in an effort to maintain about the same income. Previously the counties did not receive any portion of the casualty company tax.



At W.U.A. meeting: Front row—T. A. Pettigrew, president Underwriters Adjusting, and Olaf Nordeng, vice-president of Automobile, and back row—G. S. Whitford, secretary of Fire Association; Herman Winter, secretary America Fore.



A good way to put out fire

Without oxygen fire dies. When you place a glass tumbler over a candle flame, the oxygen supply is cut off and the flame smothered in a matter of seconds. When you have a fire in your plant, a Kidde CO₂ Extinguishing System goes to work in much the same way.

A thick blanket of Carbon Dioxide pours out of the Kidde Multijet Nozzles. It dilutes the oxygen around the flame . . . and the fire is out!



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NEWS OF FIELD MEN

A. K. Bolton Is New Head of Dakota Blue Goose

Alan K. Bolton, National Fire, was elected most loyal gander of Dakota pond of Blue Goose at the annual convention at Aberdeen. There was a record attendance of 109.

This was a two-day meeting opening with a smoker and buffet lunch. Twenty new members were taken in on the second day.

C. E. McLaughlin, Fire Underwriters Inspection Bureau, was elected supervisor; C. H. Christensen, Great American, wielder; E. W. Beardsley, Western Adjustment, custodian; Peter H. Peterson, Home keeper, and Jack Krug, Continental, guardian.

The convention was closed with a banquet at which life memberships were given to C. B. Burr, Aetna Fire; Manuel Bianco, St. Paul F. & M. (retired); Verne Noble, Main & Baker general agency, and Charles Page, Northern of New York.

Names Daley, Wallace

Camden Fire has transferred Russ Daley, special agent in Connecticut for three years, to the local department at the home office. He is succeeded by Gordon L. Wallace as special agent for Connecticut and western Massachusetts. Mr. Wallace started in insurance with Camden in 1926. He left the company in 1941 and then for five years was in the local agency business at Philadelphia.

Ganders Form Dance Team

The annual dinner dance of St. Louis Blue Goose brought out an especially large attendance.

The entertainment included piano selections by Ben Harrison of Great American and presentations by a dance team composed of Charles Root, Western Fire; Howard Prater and John Johnson, Missouri Inspection Bureau; J. W. Fraser, Great American; J. E. Koeppel, Home, and W. M. Sherman, Jr., Bierman-Condrey, adjusters. Earl Hannan, Western Fire, was M.C.

Name Mills at Fort Worth

W. D. Mills has been appointed special agent by American Equitable at Fort Worth. He will share office space in the Neil Anderson building with C. E. Commons, who directs the company's hail insurance operations in Texas.

After serving with the armed forces during the second war, Mr. Mills joined America Fire at Atlanta. He was later transferred to Texas and was last in charge of the Amarillo office.

The T. W. Scales General Agency at El Paso will continue to represent New York Fire for western Texas, including the Panhandle.

Stohrer to Colo. Field

Robert W. Stohrer has been named engineer in the Colorado, New Mexico and Wyoming territory for Springfield F. & M. group.

Mr. Stohrer is an electrical engineer graduate of Illinois Institute, and while he was in school he started with the engineering department of Springfield at Chicago.

Inspect Webster, S. D.

Webster, S. D., has been inspected by South Dakota Fire Prevention Assn. There were 34 field men and adjusters taking part. The group also took note of farm fire hazards in the area.

Illinois State Fire Prevention Assn. has scheduled an inspection of Centralia for May 10. General chairman is Ben Ober and speakers will be Art Goodall of National Union, Richard T. White, Hanover, and Steve Mortenson of Planet.

A. H. Harris Goes to N. J. Field for Agricultural

Allen H. Harris has been appointed special agent in New Jersey for Agricultural with headquarters at Newark. He joined Agricultural in 1933 and served as examiner until he went on navy duty. He left the navy with the rank of lieutenant commander. He has been in the valuation department of Agricultural lately.

Toussaint to American

American group has appointed A. F. Toussaint as special agent for North Dakota and northwestern Minnesota.

Mr. Toussaint is a veteran of five years service with the marines, and is a graduate of North Dakota Agricultural College. He has had insurance experience in both company and agency ranks.

Slate Fire Alarm Talk

New Jersey Insurance Fieldmen's Assn. will hold a luncheon meeting at Newark April 23.

Henry Heimert of Automatic Fire Alarm System will discuss detecting systems. Three new members will be admitted.

J. J. Flynn to Mo. Field

John J. Flynn has been appointed special agent at Kansas City by American Equitable to succeed Raymond Richardson who has been transferred to Grand Rapids. Mr. Flynn started with the company before the war and after military service he was an underwriter in the Western department.

T. J. Fohl, field man in Oregon, southern Idaho and southwestern Washington for National Fire, with headquarters at Portland, has been promoted to state agent in the same field.

Hardy Wessel has been added to the staff of the San Antonio office of North America as technical representative. He has been with the Philadelphia office and for a short time at Dallas.

The Sunflower Blue Goose puddle at Wichita is holding a spring stag April 27. There will be a ball game between members under 40 and those over 40. Jack Lygate, Royal-Liverpool, is chairman.

Frank Whitford, Great American special agent at Wichita, and Mrs. Whitford are the parents of a baby daughter.

About 20 members of Tennessee Fire Prevention Assn. inspected Spring Hill. The local Kiwanis Club assisted.

G. Johnson Smith of the British Information Bureau addressed a luncheon meeting of San Francisco Blue Goose on "Where Britain Stands Today."

Propose PR Test Program in Pennsylvania

Subject to authorization by the executive committee of Pennsylvania Assn. of Insurance Agents, W. J. Zwinggi, Pittsburgh, its president, has okayed in the state a projected industry public relations program at the grass roots level.

Eastern Underwriters Assn. will solicit cooperation of the state's 35 local boards and with the coordinated efforts of the four field clubs in the state work out a program that will embrace fire prevention and cleanup week observances, use of field club members in public speaking engagements, educational work, cooperation with local newspaper editors and radio stations, projection of fire prevention ordinances and building codes, etc.

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NEW YORK

JOHN STREET MOVES

Schiff, Terhune & Co., New York City brokerage firm, is moving from 99 John street to 111 John into larger space. The space it is vacating at 99 John will be occupied by General Ad-

justment Bureau. Accident & Casualty, with the changes brought about by its acquisition of American Casualty and the transfer of many of its former New York head office activities to Reading, Pa., relinquished considerable space in 111 John. It is this space that Schiff, Terhune & Co. is occupying.

REINS CLUB SPEAKER

Harold P. Janisch of Excess Underwriters will discuss the economic and legal aspects of excess and reinsurance brokerage at the May 23 meeting of Reins Club. Mr. Janisch is a former partner in the Chicago law firm of Ekern, Meyers & Janisch. He organized and for years was manager of American Mutual Alliance. He formerly was manager of New England Assns. of Insurance Agents. The dinner meeting will be at 16 Liberty street.



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DURHAM JOINS SAWYER FIRM

Knowlton Durham has joined the New York law firm of Sawyer, Delaney, Shaw & Pomeroy as counsel for litigation and estate matters. The firm is counsel for National Assn. of Insurance Brokers and National Assn. of Casualty & Surety Agents, and Insurance Brokers Assn. of New York.

Mr. Durham is a graduate of Columbia University law school. He was admitted to practice in New York in 1905.

N. Y. BLOOD CAMPAIGN

The annual blood donor drive among insurance companies at New York opened Monday, with more than 2,000 persons expected to give blood at daily Red Cross bloodmobile units in the National Board building, operating through April 27. H. A. Young of Home is insurance blood donor chairman.

HUGE BURGLARY LOSS UNINSURED

The \$330,000 loot which burglars took from the New York apartment of Hope Hampton, former actress, was uninsured, except for one mink coat valued at \$15,000 but insured for only \$5,000.

Jewelry was the chief object of the burglars' take although furs and cash were included in their haul. Miss Hampton stated that she had taken her valuables from a bank vault to her apartment awaiting removal to her suburban home at Greenwich, Conn. She attributed her move to fear of atomic attack.

CHICAGO

LADIES HAVE NIGHT IN HAWAII

The April 19 meeting of Insurance Distaff Executives Assn. of Chicago featured "A Night in Hawaii." Movies of Hawaii were shown.

F.I.A. EMPLOYEES DANCE

The F.I.A. Club consisting of Chicago employees of Factory Insurance Assn., held a dance attended by 60 couples. Mr. and Mrs. Irving Weinberg won a gold cup for skill at the waltz. The club proposes to hold another dance early in autumn.

BUYERS HEAR REUTTER

Carl J. Reutter, assistant vice-president of W. A. Alexander & Co., talked on "Multiple Location Rating Plan and Single State Reporting Form" at the April 19 meeting of Mid-West Insurance Buyers Assn. at Chicago.

R. Maynard Toelle, midwest supervisor for American Foreign Insurance Assn., will address Western Conference of Special Risk Underwriters at Chicago on May 26.

K. C. Buyers Hear J. V. Walsh

James V. Walsh, home office representative of Aetna Casualty, spoke on "Cost-Plus Insurance" at the April 17 meeting of Kansas City Insured Members' conference.

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MANSFIELD, OHIO

NEWS OF THE COMPANIES

New Tenn. Fire Insurer to Feature Weekly Payments

CHATTANOOGA, TENN.—Interstate Fire, recently organized here with H. Clay Evans Johnson, president of Interstate L. & A., as president, and with the same officers and directors as the life company, which owns 100% of the stock in the new company, will feature a weekly premium payment plan, later branching into the ordinary fire insurance field.

The new fire company has been licensed in Tennessee and has applica-

tions for license pending in Alabama, Florida, Georgia, South Carolina, Arkansas and Mississippi. First solicitations are being made by the 1,200 agents of Interstate L. & A. among the 1 million weekly life and accident policyholders, with 375,000 of them already having expressed an interest in the plan.

Capital Now \$100,000

Texas board of commissioners has approved the increase in capital stock of National Security Ins. Co., to \$100,000. Surplus will be \$50,000.

James R. Curtis, president, states that

all money has been paid into the company and the new stock has been issued. The company was originally organized in 1947 with a capital of \$25,000. The company will continue to have a par \$10 on 10,000 shares.

The company plans to ask admission to do business in Louisiana, Arkansas and Oklahoma.

Guy Gardner Now President of Merchants of Denver

DENVER — Guy N. Gardner was elected president of Merchants Fire of Denver and his brother, Clyde H. Gardner, vice-president at a special meeting of the directors. Guy Gardner, as president takes the place left vacant by the death last month of his father, J. R. Gardner.

The company was organized by J. R. Gardner in 1904 and it has been under his management since that time. Guy Gardner has been first vice-president since 1934.

Allemania and United States Fire to Be Merged

The boards of Allemania Fire and United States Fire have signed an agreement which would result in the merger of Allemania with U. S. Fire.

The agreement of merger is subject to approval by Allemania's majority stockholders, approval by two-thirds of U. S. Fire's stockholders and the New York and Pennsylvania departments.

\$10 Million St. Paul F. & M. Capital Hike Is Approved

ST. PAUL—Stockholders of St. Paul F. & M. at a special meeting Tuesday voted to amend the company's charter so as to increase authorized capital stock to \$20 million, divided into 3,200,000 shares of \$6.25 par value. Under this change each holder of a share of \$12.50 par value received two shares of the \$6.25 par value.

Directors were authorized to transfer \$10 million from surplus to capital and to declare a stock dividend of one share of stock of \$6.25 par value for each of the \$6.25 shares issued under the amendment to the charter as approved.

Company officials said that this action brings the company's capital much more in line with the volume of business now being transacted and with its position in the business.

L. R. DiMeola Joins Gulf

L. R. DiMeola, manager of the southwestern department of Joseph Froggett & Co., insurance accountants, has been elected assistant treasurer of Gulf of Dallas. Mr. DiMeola has been in insurance for 22 years, serving first with Corroon & Reynolds and since 1938 with the Froggett firm.

Vote New Stock Issue

Stockholders of Florida Home of Miami voted to sell 12,000 additional shares of common stock for not less than \$25 per share. The par value is \$10.

Enters New States

Louisville Fire & Marine has been licensed in Washington and Oregon, and has been readmitted to North Carolina. It is now operating in every state in the south and most of the middlewest and Rocky Mountain states.

Va. Annual June 14-16

Virginia Assn. of Insurance Agents will hold its annual meeting at the Cavalier hotel, Virginia Beach, June 14-16. Among the speakers will be Presidents Jesse W. Randall of Travelers and Claude Minor of Virginia F. & M.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago

April 17, 1951

	Div.	Bid	Asked
Aetna Casualty	3.00*	91 1/2	93 1/2
Aetna Fire	2.25*	53	54 1/2
Aetna Life	2.50*	71 1/2	73
American Alliance	1.50*	28	30
American Auto	2.00	43 1/2	Bid
Am. Equitable	1.50	25	26 1/2
American (N. J.)	1.00	20 1/2	21 1/2
American Surety	3.00	55	57
Boston	2.65*	56	58
Camden Fire	1.15*	21 1/2	22 1/2
Continental Casualty	2.50*	62	64 1/2
Fire Association	2.60	57	58 1/2
Firemen's Fund	1.60	52	54
Firemen's (N. J.)	70	20 1/2	21 1/2
Glens Falls	2.30*	53	55
Globe & Republic	.80	13 1/2	14 1/2
Great American Fire	1.50*	34	35 1/2
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	128 3/4	130
Home (N. Y.)	1.80	35 1/2	36 1/2
Ins. Co. of North Am.	5.00*	130 1/2	132
Maryland Casualty	.80	20	21 1/2
Mass. Bonding	1.60	26 1/2	27 1/2
National Casualty	1.50*	33	35
National Fire	2.50*	59 1/2	61
National Union	1.60	33 1/2	35
New Amsterdam Cas.	1.50	33 1/2	35
New Hampshire	2.20	38	40
North River	1.20	26 1/2	28
Ohio Casualty	.80	55	Bid
Phoenix, Conn.	3.00*	78 1/2	80
Preferred Accident		1 1/4	2 1/2
Prov. Wash.	1.50*	30	31 1/2
St. Paul F. & M.	3.00	129	132
Security, Conn.	1.60	34 1/2	36
Springfield F. & M.	2.00	44 1/2	46
Standard Accident	1.60	33 1/2	35
Travelers	14.00*	594	600
U. S. F. & G.	2.00	47 1/2	49
U. S. Fire	2.40	66 1/2	68 1/2

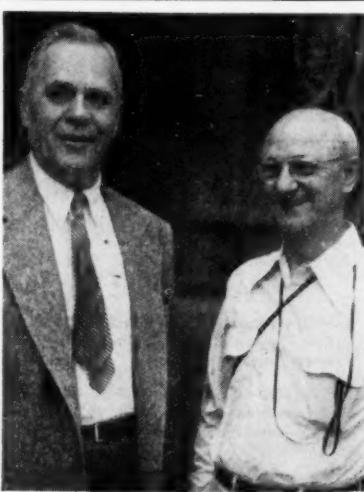
*Includes extras.

"Internship" Program for Teachers Is Shaping Up

The company responses have been excellent to the so-called internship program this summer of American Assn. of University Teachers of Insurance. This is the arrangement whereunder members of the association are received in insurance company offices and engage in more or less roving assignments and get a nominal stipend to cover expenses. Every segment of the insurance business is cooperating. Assisting in the program are L.I.A.M.A., National Board of Fire Underwriters, Assn. of Casualty & Surety Companies, and American Mutual Alliance.

Repair Minimum \$1 1/2 Million

LANSING, MICH.—The Michigan legislature has been informed by A. N. Langius, building division director, that rehabilitation of the state office building, whose top floors were fire-swept in February, will cost from \$1,500,000 to \$3,100,000, according to what reconstruction program is adopted. The lower figure represents minimum repairs to make it usable, without altering its basic construction features and without providing all of the recommended safeguards against repetition of such loss.



Harry A. Grider, manager of Factory Insurance Assn. at Chicago, and Paul Heineke, Chicago lawyer, at W.U.A. meeting at St. Augustine.

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Some New Developments in War Damage Situation

WASHINGTON—RFC financing of a "succession" War Damage Corp. is proposed in a bill introduced by Senator Ives, New York, for himself and Senator Douglas, Illinois. It would authorize \$1 billion for this purpose. Covered would be property damage, workmen's compensation, and personal injury and death of civil defense workers.

Hearings were scheduled for this week on war damage bills.

After brief explanation by Chairman Johnson of the Senate commerce com-

mittee the Senate passed the aviation war risk bill by unanimous consent on a call of the calendar.

Johnson pointed out the authority granted the Secretary of Commerce by the bill may be exercised only with approval of the President and after consulting interested government agencies. Life of the bill is limited to five years.

"I invite especial attention," said Johnson, "to the fact that the bill is to be made effective only when no commercial insurance company is willing to take the risk. Air commerce in these days is compelled to fly in war areas, and it would seem that someone should bear the risk of such flights."

The bill authorizes the Secretary of Commerce to provide war-risk insurance for aircraft, air cargo, crews, and persons transported, together with their personal effects and baggage, when such insurance cannot be obtained on reasonable terms and conditions from commercial insurance companies.

The House interstate and foreign commerce committee considered the aviation war risk bill in executive session Monday, but announced nothing. Date for further consideration was not fixed.

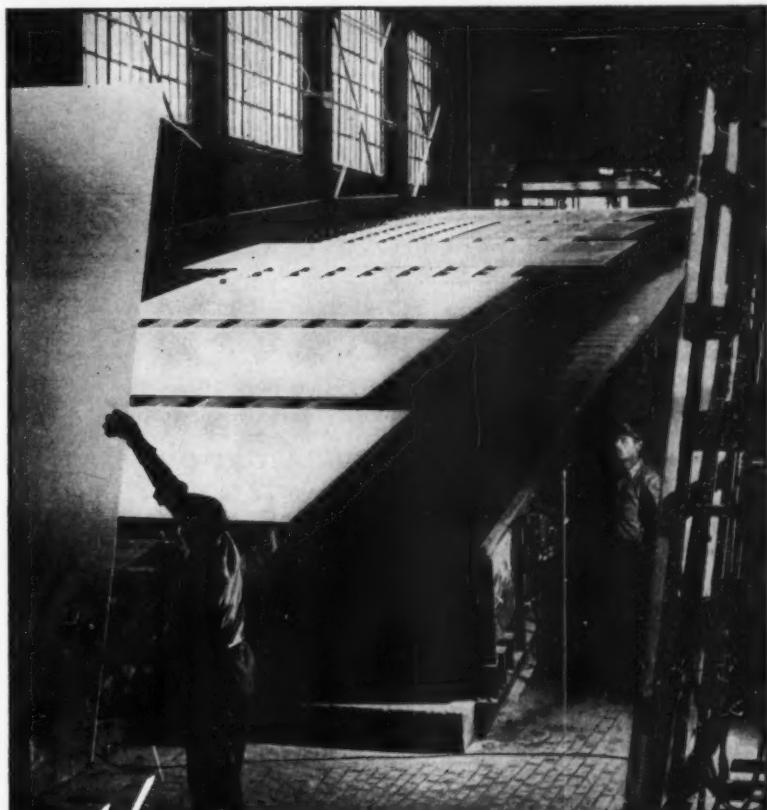
Meanwhile, hearing on the war damage bills was postponed before Senator Frear's banking subcommittee from April 17-18 to the 18th and 19th.

Among the witnesses expected to appear at the hearing are Mary Donlon, chairman of New York workmen's compensation board speaking for International Assn. of Industrial Accident Boards & Commissions; L. E. Wilkinson, New York Civil Defense Agency; H. B. Stellwagen, Indemnity of North America for Assn. of Casualty & Surety Companies; F. J. Marryott of Liberty Mutual for American Mutual Alliance; Louis Buffler, Assn. of State Compensation Insurance Funds; Walter Linn, National Council of State Self-Insurers; James S. Cook, Jr., National Assn. of Building Owners & Managers; Harry Perlet, Associated Factory Mutuals; Ralph Brooks, Commercial & Industry Assn.; Floyd E. Jacobs of Kansas City for American Reciprocal Assn.; B. R. Stone, Nebraska commissioner for N. A. I. C., and J. R. Berry of National Board.

James F. Cook, Jr., president National Assn. of Building Owners & Managers, advocated legislation to include protection against sabotage, but war damage coverage should be at cost of insured. If the government makes a profit there should be refunds to policyholders. War damage should be financed by a federal excise tax on fire premiums, Cook suggested.

Thomas H. Wyres has become special agent for Boston at Rochester for casualty and surety business.

National Assn. of Insurance Counsel will hold its annual meeting at White Sulphur Springs June 28-30.



Highlights of 50 Years!

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John McFarland, assistant western manager of American, and Hugo LaRue, secretary and 50-year man with America Fore, at W.U.A. annual meeting.

EC Rates Are Doubled on New Hampshire Dwellings

Extended coverage rates have been doubled on New Hampshire dwellings as a result of heavy windstorm losses in recent years, according to New Hampshire Board of Underwriters.

The board has also adopted new rates and rules for farms which will lower rates on farm dwellings and raise them on barns. This action will produce lower total premium at most points.

For dwellings, EC 4 rates advance from 6 to 12 cents per \$100. Farm dwellings, formerly 8 cents, rise to 12 cents. For barns, out-buildings and poultry buildings the EC rate rises from 12 to 20 cents. On coastal dwellings the rate rises from 12 to 15 cents.

The new farm rules provide for insuring farm dwellings at a minimum dwelling rate depending on location and protection.

Hansen Promoted by G.A.B.

Arthur J. Hansen, has been promoted to manager at San Jose, Cal., for General Adjustment Bureau, succeeding A. S. Marshall, who has been named manager at Oakland. Mr. Hansen entered insurance in 1940 with the Edward Brown & Sons agency in San Francisco, and in 1940 joined G.A.B. at Oakland.

The H. E. Licht Adjustment Service of Cedar Rapids, Ia., marked its third year in operation.

OK's Application of Mass. Rate Cuts by Endorsement

New England Fire Insurance Rating Assn. has notified agents that the rate reductions made March 12 may be applied to outstanding fire policies in Massachusetts by endorsement without canceling and rewriting.

While the change will make it unnecessary for agents to rewrite a large number of policies, it will require the writing of thousands of endorsements and the payment of return premiums of from \$1 and up. The insured must still be charged short rate for the earned portion of the policy term in order for them to take advantage of the rate reduction.

N.E.F.I.R.A. also reduced rates on

airplane hangers 37.5%, set the building rate as the floor for contents rates and issued changes clarifying the status of multiple occupancy risks.

Ohio Accepts Independent M. L. Plan, E. C. Endorsement

The so-called independent plan for writing multiple location risks has been accepted by the Ohio department as a deviation of the plan filed by Ohio Inspection Bureau. It became effective as of April 14.

The department also has accepted the additional extended coverage endorsement form for one and two-family dwellings and their contents.

Dayton Schools Insured Under \$100,000 Deductible

A \$17 million schedule has been placed in Federal by the school board at Dayton, O. This was written by Chubb & Son subject to a \$100,000 deductible applicable to each of 51 buildings.

Gets Connecticut Fire

The San Francisco general agency of W. B. Brandt & Co. has been named ocean marine underwriting managers in the Pacific states—including Hawaii, Alaska and British Columbia—for Connecticut Fire. The agency also represents for ocean marine business Old Colony and Atlas.

Sheets with Lansing Agency

L. Dale Sheets has been named assistant secretary of Lansing Insurance Agency—Dyer, Jenison, Barry Co. at Lansing, Mich. He has had about five years' field experience with Hartford Steam Boiler and Boston. He will serve as fire and boiler account specialist of the agency.

Hold Agents' School in S. D.

A three-day school for local agents conducted at University of South Dakota and sponsored by South Dakota Assn. of Insurance Agents was attended by 27 agents recently. Glen Heaton, Watertown, is chairman of the association educational committee which sponsored the course.

Reelect Bowlby President

Pittsfield (Mass.) Board of Underwriters has reelected Arthur Bowlby president. Chester D. Hebb was named treasurer, succeeding John Lynch, who had held that office for 19 years. Edward B. Karam, vice-president, and Roger Sloper, secretary, were reelected.

Frank Sullivan Cleared

The Shawnee county grand jury at Topeka has given Commissioner Frank Sullivan a clean slate in its investigation of charges that were lodged against him by a former woman employee of the department and one who ran against him in the primary.

John C. Blackall, former Connecticut insurance commissioner and more recently counsel at Hartford for Resolute Ins. Co., is to be ordained to the holy priesthood May 3 at St. John's Cathedral at Hartford and his first solemn mass will be the morning of May 6 at St. Justin's church at Hartford. There will be a reception May 6 at 3 Pilgrim road, West Hartford.

At the April meeting of Insurance Women of Austin, Tex., nominating committee was appointed. Election will be in May. The highlights of the executive board meeting of Federation of Insurance Women of Texas were reviewed. Plans for bosses night were considered.

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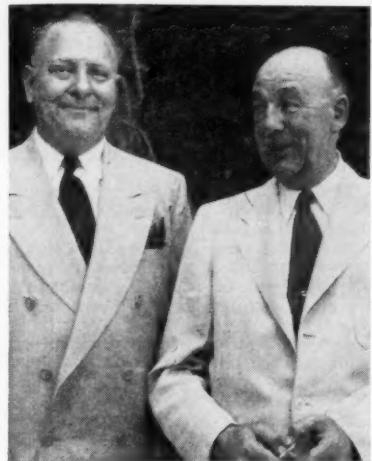


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Travelers Fire pair at W.U.A. meeting at St. Augustine: Walter Sukow, Jacksonville manager, and Harry Bean, secretary.



George Whitford, secretary of Fire Association, and Mrs. Whitford and Walter Ewald, secretary of Great American, at W.U.A. meeting at St. Augustine, Fla.

Conn. Insurers Urge Tax Revision Bill

HARTFORD — Spokesmen for most of Connecticut's insurers urged a legislative finance committee to pass a proposed law to speed up the gradual reduction of interest and dividend taxes on companies domiciled in the state. There was no expressed opposition.

Chief advocate of the bill, which would lower the interest and dividend tax rate from 4½ to 2½% by 1955, was Walter W. Walsh of New Haven, former state tax commissioner, representing more than 20 companies.

Also urging its passage were B. M. Anderson, Connecticut General Life; Gladden W. Baker, Travelers; C. L. Allen, Aetna Fire; B. L. Holland, Phoenix Mutual Life; Manning W. Heard, Hartford Fire; Berkeley Cox, Aetna Life, and Commissioner Allyn.

Mr. Walsh told legislators the program to reduce the tax gradually was begun in 1945. A similar bill calling for further decreases was passed in 1949 for a two-year period.

Studies of estimated income from the taxes on premiums, he said, indicate that an accelerated program of rate reduction will not cause a loss in insurance tax revenue to the state. Taxes on premiums increase enough each year to make up for a reduced tax on interest and dividends.

Mr. Anderson said that the insurance business is highly competitive, and that Connecticut companies often can't meet the lower premium rates of out-of-state insurers because of the tax on interest and dividends, which the latter don't pay.

Few Auto. Marine Claims

Few claims under personal property floaters and automobile comprehensive coverage resulted from the floods in New Jersey. Auto claims have been negligible because most assured had time to move their cars to high ground before the rising water reached the engines.

Auto Insurance Bills in Ohio

The Ohio house has defeated a bill which would make political subdivisions liable for damages resulting from a motor vehicle. A bill has been introduced in the senate which would require a minor to carry \$5,000 to \$10,000 liability insurance before he can obtain a motor vehicle license plate.

Hardware Mutual and Manufacturers & Merchants Indemnity sponsored a safety meeting for Dodge county highway department employees at Juneau, Wis. Jack Colborne and C. J. Geffert represented Hardware Mutual. A. Simpson and Robert Meier attended for M. & M. Indemnity.

All Auto Accident Data Up Sharply in N. Y. for 1950

NEW YORK — In 1950 New York experienced 316,134 motor vehicle accidents, 104,629 of them involving personal injury, up 15%, with 1,996 fatalities, up 3%, and 147,245 injuries, up 19%. Property damage accidents numbered 211,505, increase 25%, with an estimated cost of PD in all accidents \$72,677,731, up 33%. Registrations increased 9% to 3,882,155 with motor vehicle mileage up 8% for the year.

Excessive speed was found to be the most frequent violation in fatal accidents and speed plus failure to have right of way in all other accidents. The highest frequency of fatal accidents occurred 6 to 7 p.m. and non-fatal and property damage 5 to 6 p.m. Daytime driving is 2½ times greater than at night, but 390 more fatal accidents occurred in hours of darkness.

Names Talbot, Bird & Co.

Caledonian has appointed Talbot, Bird & Co. of New York as their U.S. marine managers.

Analyze Cooperative Trend

With 500 agents representing Mutual Service companies in attendance, the trend of insurance in the cooperative movement was analyzed at a two-day meeting at St. Paul. The delegates represented cooperatives, credit unions and township mutuals in Minnesota and Wisconsin.

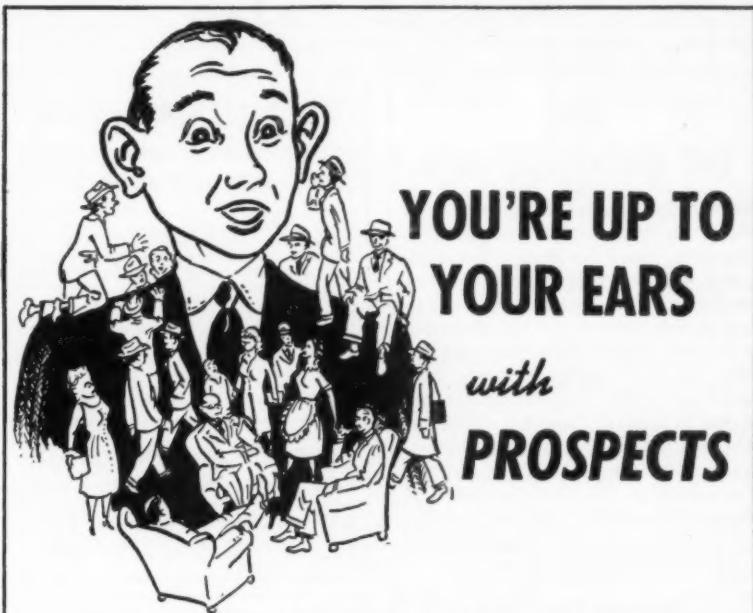
Nat'l Bills Affect Insurance

WASHINGTON — Bills have been introduced to carry out recommendations of the Hoover commission for reorganizing the veterans insurance service, to consolidate government hospital, medical and public health work into a new department of health, and to set up a department of social security and education.

Casualty Insurance Adjusters Assn. of Southern California heard Dr. Albert Marinacci give an illustrated talk of "Use of Electromyography in Diagnosing Peripheral Nerve Injuries."

Farmers Mutual Liability of Indianapolis is now installed in its new home building at Meridian street at 30th. This embodies many new features including Muzak, air-conditioning, etc.

New officers named by Insurance Women of Wichita are Emily Casford, Wheeler, Kelly, Hagny, and Betty Mueller, Sheffer-Cunningham-Ashley, for president; Neva Coobie, Sheffer-Cunningham-Ashley, and Opal Dearth, Claude Dearth agency, for vice-president; Dorothea Barlkay, Durling-Richards; and Della Wheeler, Roth agency, 2nd vice-president; Gloria Hoyer, H. V. Schott agency, and Marie Cowan, Cook & Colver, secretary; Lawanda Klassen, Baurle agency, and Alma Burkle, Dunlaney, Johnson & Priest, treasurer.



Why not do something about it?

Less than 20% of insurable risks carry residence burglary insurance. Your daily newspapers give ample evidence of the need for this protection. There are prospects everywhere who will be interested if you will take time to explain this much-needed coverage to them.

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WANT ADS

FOR
THE AMBITIOUS MAN

Who is looking for opportunities, in the casualty insurance business, that presently seem far away; this company may have just what you are seeking. We are interested in bringing several young men into the company now as salesmen where promotions for managerial and executive work can rapidly be earned. Immediate placement can be made at Cincinnati, Chicago, St. Louis, Cleveland and other Mid-west locations. For record of company's growth and financial condition, refer to the Argus Chart or any other factual trade publication. Direct applications to . . .

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Outstanding long established General Agency operating in Colorado, Wyoming, New Mexico, and Arizona, is seeking additional facilities due to tremendous growth. Can produce substantial volume diversified business, excellent loss experience. Exceptional opportunity for aggressive organization.

Address E-68,
The National Underwriter
175 W. Jackson Blvd.
Chicago 4, Illinois

WANTED
Casualty Underwriter

Excellent opportunity for experienced top level home office casualty underwriter to supervise a territory for a Texas multiple line stock casualty company. Salary commensurate with ability and experience. Give complete background. Address E-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Two assistant underwriters by Texas stock casualty company. One for automobile and one for compensation. Excellent employee benefits. In reply, give complete background and draft status. Address E-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A. & H. MANAGER
FOR LEADING GENERAL AGENCY
WITH LARGE A. & H. FOLLOWING

Well-known general agency in Ohio city, with long-established accident and health business, requires aggressive manager for its complete disability department writing high quality accident and health, non-cancellable, hospitalization and group. Age 32 to 45. Live-wire sales and sales organization ability is No. 1 requirement; some knowledge of disability lines helpful but not necessary. Wonderful proposition with great future for good man. Salary open. Address E-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogers, 9014 Wilshire Blvd., Beverly Hills, California.

CASUALTY UNDERWRITER IS WANTED — A well-established agency needs casualty manager immediately. Reply stating age, national service status, experience, education, compensation requirements and date available. Address reply to Harry R. Randall, Associated Insurers, Inc., Box 2917, Raleigh, North Carolina.

INLAND MARINE ADJUSTER

Wanted for Philadelphia office. Must be able to handle heavy lines. Give experience in detail. Frank Johnson, National Adjusters, Inc., 107 William St., New York, N. Y.

AVIATION UNDERWRITER

Man to learn Aviation Underwriting, prefer pilot with casualty underwriting experience.

E. L. Stephenson
ASSOCIATED AVIATION UNDERWRITERS
175 W. Jackson Blvd., Chicago, Illinois

CASUALTY MAN

Available for Branch Manager or Assistant, 25 years underwriting experience. Detroit preferred. Replies confidential. Address E-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Experienced Automobile Underwriter, male or female, for department of a large company. Free Life and Hospitalization Insurance. Give particulars of salary requirements and previous experience. Address E-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ACCOUNTANTS
WANTED

Insurance accounting firm has openings for senior and junior accountants with insurance experience. Excellent opportunity for right man.

Chase, Conover & Company
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BOND PRODUCTION MAN

Established casualty and surety company requires experienced bond production man. Good salary. Excellent opportunity. Address E-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

MULTIPLE LINE MAN AVAILABLE

Field man of Branch Manager Caliber—CPCU degree—Experienced as Casualty Underwriter and successful producer of all casualty and property lines including fire and marine—age 38—now employed desires better opportunity in multiple line field. Address E-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

REPORT ON N.A.U.A. EXAMINATION

(CONTINUED FROM PAGE 3)

Co. was engaged and is presently conducting an independent study.

7. The actual value premium table should be carried below the present four age groups to maintain a more proper relationship between the two rating bases. Or, alternatively, age group definitions should be revised.

The association is now studying and the staff is recommending revisions in the age group definitions which coincide with the alternative suggestion.

8. A reduction in number of symbols for rating purposes is recommended.

N.A.U.A. has been studying the matter and considering distribution of cars within age groups for which symbols are presented. It finds that any material reduction in these symbols and corresponding groupings can be made only at the expense of some hardship on the part of a large number of insured. A combination of age groupings to effect such symbol reduction would mean considerable increase in premium to insured whose classification is moved up and a reduction to insured whose classification is moved down in order to develop a new symbol group to which necessarily new rate levels would have to be assigned. Symbol reduction would increase the difference in the premiums from one group to the next beyond present differences which are as great as practicable. The increase in these differences would result in premium jumps from one group to the next which would be very difficult to justify. The staff is recommending a change which eventually will eliminate the first five symbols, A to E, as soon as the prewar cars which almost entirely comprise those symbol groups have been reduced sufficiently to warrant the step. This will simplify the present symbol classification groups.

Subordinate Fire and Theft

9. The display of specific fire and theft coverages should be subordinated or eliminated; rates for comprehensive should be based on experience of this coverage and fire and theft perils written at percentages of the comprehensive rate.

N.A.U.A. is now developing a method to determine comprehensive rates on the experience for that coverage and will show specific rates for the small amount of fire-theft only cover, based on individual state experience.

10. Use or modification of "new" and "old" car definitions should be studied in connection with commercial cars, public delivery vehicles, etc.

The new group definitions for passengers, if approved, will create a basis for similar revisions of commercial cars, etc.

11. The doubling rule for single interest collision, conversion, embezzlement and secretion coverages should be eliminated.

At the time of Mr. Moore's reply the rule already had been eliminated on the Pacific Coast and was contemplated in the balance of the country. The doubling was applied in case the insured did not purchase the cover for all cars in which he retained an interest.

Fleet Suggestions

12-14. Fleet formula C: a review should be made of the size credits and experience modifications with particular reference to possible unfair discrimination toward ineligible risks and to variations in experience credibility for size of risks. Fleet formula A: the C formula should be extended to include A risks under a combined plan giving proper credits and credibility factors for a larger number of vehicles comprising such fleets. Formulae A and C: consideration should be given to the mandatory rating of fleets.

An N.A.U.A. staff subcommittee is considering all phases of the fleet rating problem. A covers 50 cars or more, C fleets of less than 50.

15. Various states should consider the

problem of experience reports by independent insurers, particularly those whose rates and/or rules differ in a non-uniform manner from those promulgated by N.A.U.A.

The reporting of experience is a matter of ruling by individual state insurance departments.

16. A reasonable service charge should be made to independent insurers to defray expenses of N.A.U.A. incurred in compiling and reporting their experience.

An equitable basis for assessment was being worked out.

Disposal of Old Cards

17. State insurance departments should authorize N.A.U.A. to dispose of unit cards after one year and summary cards after five years or other reasonable periods, to alleviate the storage problem.

N.A.U.A. has received approval to dispose of cards on this basis for practically all states.

18. The statistical call should provide for reconciliation by companies of individual reportings to N.A.U.A. with the figures contained in the annual statements.

N.A.U.A. hopes that premium control cards, that is, summary cards by company, month and state, will provide a base for the calculation of assessments of members, subscribers and other companies reporting statistics.

Back Door Is
Bolted in Illinois

(CONTINUED FROM PAGE 4)

commissioners in coping with a case of out-and-out influence-peddling in his state. I am sorry to say that an Illinois company is involved. Representatives of your branch of the industry have maintained a highly commendable attitude toward our department and I mention this problem here not for the purpose of admonishing anyone but because I know I can count on your support."

Has Large Powers Under Code

Mr. Day went on to say that the Illinois code gives the insurance director tremendous powers and under these circumstances the gravity of the department's responsibility cannot be exaggerated.

He remarked on the inconsistency of legislation which provides for added work for state departments, particularly the insurance department, without providing for additional appropriations. He mentioned as an example the agitation for compulsory automobile insurance and for a proposal to authorize non-profit health services similar to Blue Cross organizations which would provide complete service, including hospital, medical care and nursing, dental

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and pharmaceutical services that certain labor groups have been arguing for.

Under this law it is entirely possible, he said, that several hundred such organizations might be set up in Illinois and he has cautioned the sponsors that since this contemplates extensive supervisory activities by the insurance department it would eventually require a big addition to the insurance department personnel, space requirements and budget.

Agent's Role in Rate Making

(CONTINUED FROM PAGE 5)

their cake and eat it too. If we are, in actuality, independent contractors, we are just as independent of company dictation as to what we sell as the independent corner grocer. He carries the stocks of many companies on his shelves, just as we do. He sells one to the exclusion of, or in preference to, the other. He buries certain commodities he feels it does not pay him to sell in back rooms or on obscure shelves. If some customer comes in and asks for it, he has it to provide, but he doesn't push it. If he would rather sell Campbell's beans because he makes more profit on it, and refuses to push Cockeyed beans, that's his business. Selling insurance forms is an agent's business.

Company Is Independent Too

What remedy does the company have? If any company does not like my production program, it is always perfectly free to seek out another agent to replace me if it thinks he can do any better. Only perhaps he doesn't like exactly the same forms I don't like. So then, where are they?

This has been going on, as I said before, for a long time. So perhaps this thesis that agents are reprehensible if they neglect or refuse to sell certain forms ought to be re-examined in the light of practical common sense.

Another trade paper carried an editorial entitled "Questions Raised by the New AEC Form" which, after citing the various criticisms of the form, said: "Serious consideration should be given to these questions by every fire agent and company official in the next several months if co-operation in the fire field is to go forward."

Other commentators have put it more bluntly, namely, that unless the agents relent in their opposition to this form the cause of company-agency co-operation in the fire field will be irreparably harmed. To me that seems like a rule or ruin attitude. A sort of "Unless you sell this form, like it or not, you can't slide down my cellar door any more." Sort of childish, isn't it?

Perhaps a few suggestions might be in order:

1. Take a leaf from the book of the National Bureau of Casualty Underwriters where company-agency conferences amount to something.

2. When conferences are held with



Trio of southern commissioners at Zone 3 meeting of N.A.I.C. at New Orleans, pictured by Harry H. Fuller of National Bureau of Casualty Underwriters:

Jesse White, Mississippi; Zack Cravley, Georgia, and M. O. Allen, Tennessee, new zone chairman.

committees of agents, insist upon reference back to sizable bodies of their constituents. After all, the committeemen may not know all the answers. Sometimes they wind up like the general without an army.

3. Don't think that company organizations are entitled to pats on the back for most progressive actions when company-agency conferences still consist for the most part of the agents being called in after the form that is proposed to be filed is all completed and told "Here it is, boys, what do you think of it?" That's sort of putting the horse behind the cart.

Calls for More Selling of Agents

4. Recognize that it is not sufficient to explain or sell a form or a rate to a national committee or organization or even a regional committee or organization. It is necessary to get right down to the grass roots and sell it to agents state by state and even local board by local board. Our friends in the casualty field learned that one long ago.

5. Practical politics being what they are, if you want to get forms or rates approved in any state, sell them to the agents in that state first.

6. Don't sell the agents short. They're not all too damn dumb to understand. Some of them really know something about the insurance business. Some of them even know something about rate making. At least enough to know that when a new form comes out that has never been issued before, the rates therefore must be almost entirely judgment rates—so what's the use of talking about the fact that agents do not have access to statistical data. What statistical data?

7. Before selling any form to the agents, sell it to the field men. After all, they are going to have to adjust the losses and solve all the headaches. One field man told me he told his boss Veep about this form: "It stinks." I haven't heard any agent get as rough as that. Could the man be right?

8. Take a leaf from big American industry. No large manufacturer today long remains successful by ignoring the views and opinions of its sales force.

Let Field Men Do It

9. Turn the fire rate and form making process back to the field men where it was many years ago. Let the brass hats that graduated from the field force stay home from rating association meetings and decide important matters of policy for their companies in the home office. Most of them have been away from the selling field so long and out of touch with the grass roots for so long they don't feel the pulse of the patient. What makes them think they know more about what the public wants and what the public will pay for it than the Great American Salesman?

10. Decide once and for all that in company-agency conferences it is impossible to discuss rules and forms without discussing rates. It's a good trick if you can do it, but it can't be done. Since when is it illegal to ask the opinion of your salesmen as to whether the public will pay a given rate for a given coverage; whether the salesmen think it is a fair rate and whether the rate is politically practical? Or shouldn't the latter point come up?

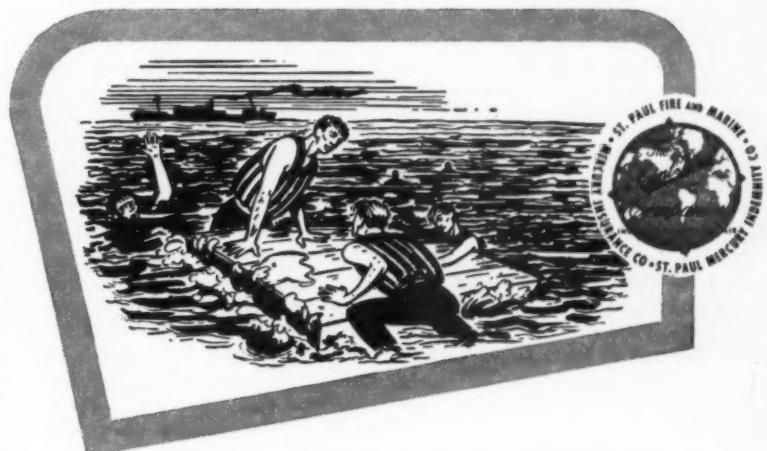
11. Realize that agents are in business to make a living; that they can't make a living unless their commissions pay all their overhead expenses and leave them a profit; that they aren't in business solely for the glory and profit of their companies; that they aren't going to cry for joy about forms that promise them endless trouble with dissatisfied customers.

Comes the revolution! As the late Lew Lehr used to say, "Aren't agents the czarists people?"

L. "Cy" Frailey, authority on letter writing, told A. & H. Managers Club of Los Angeles that a good letter is one of the best ways to win friends. He urged putting the human touch into letters.

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The Neversink Cork Jacket, using granulated cork compressed under pressure, was the first cork life preserver approved by the Steamboat Inspection Service of the United States. Invented in 1872, the Neversink Cork Jacket was credited with saving 287 lives when the S. S. San Francisco was wrecked in the Pacific in 1877.

A life preserver is like proper insurance coverage—nice to have around when disaster strikes.

Everyone needs proper protection against all possibilities. Policies from the Saint Paul Companies give your assureds the complete comprehensive or individual coverage required to fit their needs.

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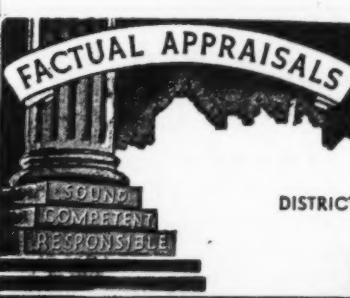
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EDITORIAL COMMENT

Mercenary Reaction Disheartening

Somewhat disheartening to fire insurance leaders is what appears to be a concerted program on the part of hospitals to bring pressure for rate reductions and immediate concessions of other kinds by seizing on the nationwide safety inspection program of the stock fire and casualty business under the direction of the special committee on hospitals of National Board. By the end of May, the National Board announces, all U. S. institutions listed as hospitals by American Medical Assn. will have been inspected. These total about 6,700.

This particular program was an unusual lofty one. It was inspired from a humanitarian standpoint by a series of fires in hospitals that shocked the nation because of the number of lives that were lost and the pathos in the helplessness of the victims to save themselves.

The leadership in the insurance business felt that there were within the ranks of insurance resources in the way of engineering talent and experience that could be mobilized in the interest of the public welfare to elevate the fire safety standards of hospitals. This has been a laudable and worthwhile contribution, but it does leave a sour taste in the mouths of insurance people when

hospital managements hasten to ask for a discount in fire insurance rates for taking measures for the protection of the life and limb of patients. The implication is that the hospitals are simply doing this to oblige the insurance companies and having done what it was suggested that they do they want a rebate right away before anything has been proved or experience has been allowed to mature in the normal way.

It is difficult enough to get an industry-wide program such as this generated and carried through. The cost in time, money and effort is enormous. The attention of a great many men is taken from immediate tasks that are translatable into immediate dollars and cents advantage to an individual company. That is not to say that the insurance business as a whole and the individual companies will not continue to rise to the occasion when great humanitarian efforts are called for and they are in a position to lend a hand, but there will certainly be a number of executives with feet of clay, who will be that much more difficult to win over on some future project of this kind because of their recollection of the mercenary response in the hospital field to what was intended as a supremely uncommercial institutional undertaking.

Seeking Weaknesses in Others

One never makes progress by pointing out and emphasizing the weaknesses and faults of other people. It is very easy to discover shortcomings. While one is engaged in this sort of

diversion, many chances for advancement escape him. Petty pecking at others in attempting to seek deficiencies is harmful to the morale of the individual and his organization.

Insurance People Are Citizens

The talk by Bruce Bielaski of National Board at Buffalo insurance day appealed to insurance people as citizens and must have impressed many of them strongly in view of recent revelations of corruption, dishonesty and crime.

If there is confusion in Washington; if there is malfeasance or misfeasance in high places; if criminals, politicians, and law enforcement officers are in unholy alliance, the individual citizens are the ones who must act, he believes. The Kefauver committee has established that organized crime cannot exist without political and police aid. Now the need is not for more or new laws but for general action on the community level.

What can individuals do? Learn who is the chief of police. Has he a free hand to enforce all laws? Does he make public periodic reports on the problems and accomplishments of his force? What are his needs?

Are there any persons or classes of persons who seem immune to any law? Who is the prosecuting attorney? Is he able, fair, impartial? Are there cases not tried which should have been? Does he give friendly support to law enforcement officers? Does he ignore any unlawful activities of any type?

Talk directly with these officials. Support vigorously the clean, able men. Get rid of the others. Are there groups or classes of people in the neighborhood

whose rights are trampled upon or whose privileges are unfairly curtailed? If so, give them help. Each citizen's rights and privileges are surely involved, and it is his opportunity to serve his country.

Let insurance men take the lead in all communities for clean, effective, unbiased law enforcement. They, too, should

be vigilant to accept nothing less from any public servant.

Mr. Bielaski's advice is simple and practical. The individual can immediately do something in his own locality. They can supply local leadership. If enough people did a little something in their towns, the investigating committees could go out of business.

PERSONAL SIDE OF THE BUSINESS

Now that John H. Grady has retired, the top responsibility of the affairs of General Accident in this country is shared by E. T. Moynahan and William Bernhard. The latter is stationed at New York while Mr. Moynahan is at the U. S. head office at Philadelphia.

Mr. Moynahan was born in 1904 at South Hadley, Mass., and graduated at Colby college. He went with the Mesoerole organization at the home office in 1925, he was special agent in New England from 1927 to 1934, New England agency supervisor for the next seven years. He became assistant secretary in 1941 and went to the home office in charge of the eastern department. He became secretary in 1944 and for the next two years was in charge of the inland marine department.

Mr. Moynahan went to the General Accident organization via Potomac, starting in 1947 as vice-president in charge of the general management of that company. He became executive vice-president of Potomac and assistant U. S. manager of General Accident two years ago and since Jan. 1 of this year has been joint general manager with Mr. Bernhard.

Charles E. Dox of Chicago, western manager of London & Lancashire, and Mr. Dox are sailing April 28 for an eight-week European trip. Mr. Dox will attend the annual general meeting of his company at London May 16 and will be at the head office for about two weeks. Mr. and Mrs. Dox will tour England and the Continent by motor. Since they will be away from their family so long, they had their 11 year daughter and eight year old son with them in Florida in connection with the meeting of Western Underwriters Assn. where Mr. Dox performed as chairman of the committee on order of business. They had their headquarters at Ponte Vedra Beach and commuted to St. Augustine where the meetings were being held.

Peter W. Freilich, vice-president of Corroon & Reynolds, Inc., of Illinois, has been appointed chairman of the insurance committee for the Illinois division of American Cancer Society in the current campaign.

The three principals in the Braerston, Simonton, Brown general agency of Denver attended the W.U.A. meeting at St. Augustine, accompanied by their



E. T. Moynahan

wives. They then went to Washington where Mrs. W. L. Braerston took part in some D.A.R. activities and the rest of the group planned to attend the baseball game Monday between Washington and New York. They will visit insurance centers in the east before returning home. Besides Mr. and Mrs. Braerston, the group includes Mr. and Mrs. J. L. Brown and Mr. and Mrs. L. H. Simonson.

T. M. Dunlap, head of the independent adjusting company at Chicago bearing his name, has been vacationing at Miami Beach.

Back into the insurance business goes Thomas J. Kelly, who relinquished active participation in the Kelly-Phillips agency at Miami last October when he was named sheriff of Dade county by Gov. Warren of Florida. Gov. Warren has now reinstated former Sheriff James A. Sullivan, who was removed after a Dade county grand jury had indicted him for neglect of duty.

Edward A. Logue of Pittsburgh, state agent for State of Pa., is now back on the road after being incapacitated for several weeks with a severe virus infection.

Frank A. Christensen, president of America Fore, is bereaved by the death of his mother at Hartford.

Stanley Cowman, head of the Insurance Agents & Brokers Assn. of Philadelphia, spoke there to the Southeastern Newspaper Editors Assn. on insurance.

Glen Evans, elected president of Florida Assn. of Insurance Agents at its annual meeting at Palm Beach, has long experience in the local agency field, having been vice-president and general manager of Lykes Brothers' agency at Tampa since 1925. Mr. Evans received his first insurance experience with Grinnell Sprinkler Co. at Atlanta. He then joined Continental as Georgia special agent, later serving in similar capacities with Home at Atlanta and North America in Florida. He served as president of Tampa Insurors Exchange on four different occasions, and as a director for nearly 20 years.

T. V. Martin, president of First National Life of Louisiana, was host at what is known as a Louisiana shrimp boil at his home in suburban New Orleans, for those attending the zone 3 meeting of National Assn. of Insurance



Glen Evans

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

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Commissioners. Mr. Martin has an elaborate setup including stables where he raises fine horses. There was a band and a sumptuous buffet besides all the shrimps that one could eat. **Pan-American Life** was host at the banquet and also at luncheons one day, one for the men at Antoine's restaurant and the other for the women.

Bernard W. Roos, vice-president of Associated Agencies of Chicago, returned from a business trip to Alaska.

Chester L. Zook, assistant manager of the western department of National Fire at Chicago, was honored by his associates Friday on the completion of 25 years with the company. He has been in the Chicago office about 10 years. Earlier he was special agent of National in Kansas and then state agent in Michigan.

C. J. Denehy, assistant general manager of General Adjustment Bureau in the Pacific Coast department, has been granted an indefinite leave of absence. Mr. Denehy made the request on the advice of his physician. He has been with G.A.B. since 1928. In May Mr. and Mrs. Denehy will take an extended ocean tour.

Hugo Dalmar, Jr., vice-president of H. Dalmar & Co., Chicago, and the former Gloria Ryan of Kenilworth, Ill., were married at Winnetka, Ill. The couple left the next day for a trip to southern California. There were many insurance people present at the wedding reception at Evanston Golf Club.

Phil J. Braun, prominent local agent of Flint, Mich., has returned to his office after being at Tucson, Ariz., since the middle of January.

Ralph Holmer, manager of Underwriters Adjusting at Lansing, Mich., company office, is in Puerto Rico on a honeymoon trip. He was married to the former Roberta Kennedy of Lansing at Lake Worth, Fla., where Mr. Holmer's mother lives.

H. H. Chittenden, retired Ohio state agent of Home, and Mrs. Chittenden, who have been vacationing in Florida since February, were at St. Augustine last week fraternizing with the group at the Western Underwriters Assn. annual meeting.

Frank A. Christensen, president of America Fore, has been appointed chairman of the insurance and real estate group for the Greater New York Fund 1951 campaign.

L. F. Hawley, president of Newhouse & Hawley, Inc. of Chicago, has set sail for London. He will confer at Lloyds with Willis, Faber and Dumas Ltd., and return in five weeks.

J. Wendell Sether, director of public information, National Board, is vacationing in Bermuda this week with his family.

Lt. (j.g.) Josh R. Moriss, Jr., partner in the Texarkana local agency of F. W. Offenhauser & Co., has been recalled to active duty by the navy. He is a graduate of the Naval Academy and for a time served aboard a destroyer in the

Pacific. In 1949 he left the navy to become manager of the marine department of Offenhauser & Co. He is a grandson of Fred W. Offenhauser, who founded the agency in 1882 and who was one of the early presidents of National Assn. of Insurance Agents.

The St. Louis court of **Cats Meow** has opened a club room for its members in the Cotton Belt building.

DEATHS.

PERCIVAL C. BAYLOR, who was commonly known as Chris Baylor, and who had been a prominent factor in the longhaul trucking insurance field for a number of years, died at Northwest hospital, Miami, after an illness of about six weeks. He was 41. Since last August he had operated Baylor's Insurance Service on Bay Harbor Island at Miami risks. He was the founder and former president of Carolina Casualty at his native city of Burlington, N. C. Through connections in the long haul trucking field he got into the insurance aspect of that business at an early age. He at one time had a general agency for Pennsylvania Casualty at Burlington and then went to Chicago, where he operated a general agency for Pennsylvania Casualty, known as National Management Insurance Agency. When Pennsylvania Casualty was sold to Commercial Credit Corp. he returned to Burlington and organized Carolina Casualty.

Mr. Baylor also owned Pan-American Underwriters of Florida. He had sold a half interest in Baylor's Insurance Service office at Burlington to T. B. Jones, who will continue to operate under the name of Jones-Baylor Insurance Service, Inc. His wife, Mrs. Elizabeth B. Baylor, will continue to operate the agency at Miami.

WILLIAM J. GALVIN, 51, superintendent of the metropolitan automobile department of America Fore, died at Mary Immaculate hospital, Jamaica, L. I., following an operation for which he had been hospitalized a week previously.

With America Fore 36 years, Mr. Galvin started as office boy and successively held various posts in underwriting. In 1935 he was assigned to the automobile department of the metropolitan office and became superintendent several years ago.

W. J. HUNTER, 54, head of the North Dakota workmen's compensation insurance bureau, is dead. He had served with the bureau since 1947.

CHARLES D. SULLIVAN, 53, assistant bond superintendent in the western department of Aetna Casualty, died at an Oak Park hospital after a long illness. Considered one of the best informed bond men in Illinois, Mr. Sullivan's assistance often was sought by other bond men in the state. He started

with the company in 1920 and in 1928 was named assistant superintendent of the bond department. On his 30th anniversary with the company last September, he was presented a handsomely bound brochure reviewing his years in the business. The book was divided into years, with each year written by a leading insurance man in Chicago.

MELL D. SMITH, who was vice-president and general agent at Jacksonville for Southern Fire & Marine, and also field supervisor for the general agency of E. Dana Johnson & Co., Jacksonville, died at the age of 68. He was born at Birmingham, Ala., and attended Howard college, of which his father, A. D. Smith, was president. He entered the insurance business at Birmingham with his father. At one time he was manager of the fire insurance division of Home Owners Loan Corp. at Washington. He had occupied his various Jacksonville positions since 1945. Burial was at Birmingham.

CALVIN A. PALMER, 85, former Michigan commissioner, died at Phoenix, Ariz. Mr. Palmer was a newspaper man and later postmaster at Manistee, Mich., before being named commissioner. He served for two terms, and later formed the Interstate Fire of Detroit, and at the same time organized the Andrus &

Palmer Agency at Detroit with the late Sherwood B. Andrus, at one time assistant manager in the west for Providence Washington. Interstate Fire was later taken over by North British. Mr. Palmer had been living in Phoenix for four years.

THOMAS M. BURNS, a casualty claims superintendent of National Surety at Chicago, died at Alexian Brothers hospital. His age was 45. He had been with National Surety only about five months. Previously for many years he had been with Accident & Casualty at Chicago.

CLIFFORD A. PAYNE of the Payne, Garrison & Younger local agency at Jacksonville, who was president of Florida Assn. of Insurance Agents in 1925, died at his office. He was born in Charleston, S. C., and had been at Jacksonville since 1906. He was the last surviving charter member of Jacksonville Rotary Club and he was a past president of that organization. He was chairman of the advisory board of Salvation Army from 1940 to 1950.

HERMAN S. VAN PELT, 47, a boiler inspector for Hartford Steam Boiler, died at Richmond, Va.

GERMANY A. SCHULTZ, famed University of Michigan center the early part of this century, and member of Walter Camp's All American Team in 1907 and

(CONTINUED ON PAGE 35)

Jack and the Beanstalk 1951 Version

The sensational increase in the cost of construction and equipment is almost comparable to Jack's famous beanstalk... and the top has not been reached yet. Many people will suffer unnecessary loss unless every insurance agent impresses every policyholder with this fact. Have you seen a copy of our new direct mail circular on this subject which is bringing good results?



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LOS ANGELES

New Limited Theft Cover to Be Ready by Early Summer

**Endorsement Will Contain
E.C.: Cost Much Less,
Cahill Says**

NEW YORK—A limited residence theft coverage costing considerably less than the present residence and outside theft policy or personal property floater was announced at the meeting of the Eastern Agents Conference here by James M. Cahill, secretary National Bureau of Casualty Underwriters.

It is designed for use as an endorsement to the dwelling fire contents policy, but in virtually the same form may be sold as a separate contract. It was on recommendation of the casualty committee of National Assn. of Insurance Agents that the form is being made available as a separate contract.

Filings Have Been Processed

A complete program of rules, rates, policy and endorsement has been evolved. Following discussion with Eastern Underwriters Assn., necessary filings have been processed and detailed announcement is expected by early summer, Mr. Cahill said.

The householders' limited theft cover provides on a package basis both premises and off premises insurance. It is, he said, designed for what is considered a virtually untapped market, the small householder unable or unwilling to buy the standard residence and outside theft policy.

One idea for limiting and simplifying the new policy and endorsement was to get away from inclusion of mysterious disappearance coverage. The definition of theft was drafted with this in mind. Many prospective insured have no desire or need for mysterious disappearance cover and will be glad to purchase the more limited policy at a proper difference in rate.

Types of Insured

The cover may be written only for insured living in private houses, 2-family houses, apartments or flats, excluding premises in hotels and premises used in whole or part for professional or business occupancy of premises where more than two boarders or lodgers, other than relatives of insured, live with insured.

The main differences between the new householders limited theft policy and endorsement and the standard R&OT, Mr. Cahill said, are:

Premiums will be substantially reduced. Theft is defined as any act of stealing. Sublimits on money and securities will be reduced. There will be no specific insurance. Cover on autos will be for burglary only instead of theft. Cover on residence employees' property will apply only to that portion of premises occupied exclusively by insured's household. Insured to whom this program will appeal probably do not have servants.

Also, no cover in dormitory, fraternity or sorority house. Coverage A, theft from premises, will not apply in a bank, trust or safe deposit company, public warehouse, or dwelling not owned or occupied or rented to insured. Coverage A will not cover removal to other premises. Coverage A will be reduced to \$250 on section (a) property, jewelry, silver and furs.

Coverage B, theft away from premises, (CONTINUED ON PAGE 37)

Defense Rating Plan Less Harsh Than Former Setup

WASHINGTON — Department of Defense has finally released detailed information concerning the new national defense "projects rating" plan, which has been in process for months, with the statement that it "is expected to materially reduce the insurance costs on government contracts."

Embodying basic principles of the old war projects joint rating plan, the new plan provides for workmen's compensation, automobile, and general liability coverage on a combined basis to government contractors for the army, navy and air force, Thomas L. Kane, director of insurance, stated.

Early approval of the plan by state commissioners is expected.

The Defense Department statement in part follows:

"Designed to be applied to cost reimbursement contracts, the plan also may be applied to fixed price contracts with price redetermination provisions and will make available to government the services of the insurance industry at reduced costs."

Administration Kept Separate

"Under the projects rating plan, the contractor may place the insurance with his regular insurance company and he may obtain it as prescribed rates and fixed charges for which he is reimbursed by the government. All military departments will handle insurance the same way and each department will continue to administer its own insurance."

"The rating organizations are to file the plan with the insurance departments of the various states at once for their approval in accordance with their state laws."

"Terms of service and fees for agents and brokers advising the contractors under this plan are included in a separate insurance service agreement which has also been approved by the Munications Board."

Under the plan, the premium can never be greater than the insurer's incurred losses plus the minimum company expense and tax allowances available under usual retrospective rating procedure.

Since the government will secure uniformly on all risks the low cost features of the plan, the letting of insurance by bid will be unnecessary on contracts falling under the plan.

The plan will be applied to operations where the contract with the government provides that the government reimburse the contractor for the cost of insurance and also to some price redetermination type contracts.

Cites Changes from Old Plan

Mr. Kane said that changes in the World War II plan had been worked out by the Department of Defense after hearing from insurance representatives. The changes are based on experience gained in handling such insurance under the earlier plan, the substantial decline in workmen's compensation rate levels

since 1940 and the changed state regulatory situation since the war in respect to the liability lines.

The plan provides, as it did in World War II, for the retaining of insurance advisers by each contractor under his contract with the government. The advisers will be remunerated separately and, thus, the insurance under the plan will be ex-commission.

Maximum premium and fixed charge percentages have been graduated downward from 16.5% and 14.1%, respectively, for a \$10,000 risk to 10.0% and 8.1% for a risk of \$700,000 and over. During World War II, the maximum premium percentage was at a level of 90% of standard premium, but a revaluation of risks written under the old plan on today's compensation and liability rate levels indicated that insurers would have suffered substantial underwriting loss on the basis of the old maximum. The maximum percentages selected are from retrospective rating plan C.

Table of Rating Values

The fixed charge percentages provide for fixed expenses, for losses in excess of the maximum and for profit and contingencies. The latter provision is a change from the World War II plan to reflect the inclusion in almost all jurisdictions of a specific allowance in compensation rates for contingency and profit.

The complete table of rating values for the plan is:

Standard Premium (Workmen's compensation and all liability coverages combined)	Fixed charge percentage applied to 90% of standard premium	Maximum Premium
\$10,000	14.1	165
25,000	11.0	140
50,000	9.3	135
100,000	8.5	128
150,000	8.2	125
200,000	8.2	121
250,000	8.2	118
300,000	8.2	114
350,000	8.2	111
400,000	8.2	107
500,000	8.2	100
700,000 and over	8.1	100

Losses incurred will be increased 12% to provide for unallocated claim expense (CONTINUED ON PAGE 39)

Group of sightseers during Zone 3 N.A.I.C. meeting at New Orleans as pictured by Harry H. Fuller of National Bureau of Casualty Underwriters:

James C. Creal, attorney of Kentucky department; Matt Diggs, Kentucky manager of U. S. F. & G.; Spalding Southall, Kentucky commissioner, outgoing zone chairman; John Mallett of the Kentucky department, and Roy L. Davis, Assn. of Casualty & Surety Companies, Chicago.



Ohio Farm Bureau Insurer Has 55% of Nat'l Casualty Stock

**Columbus Group Also
Has Interest in Columbian
National Life**

Confirmation of the fact that the Farm Bureau organization of Ohio was the buyer last fall of a majority of the stock of National Casualty of Detroit is found in the annual statement of Farm Bureau Mutual Automobile of Columbus. That sets forth that Farm Bureau Mutual now owns 55% of the stock of National Casualty.

THE NATIONAL UNDERWRITER at the time printed as a rumor that the Ohio Farm Bureau was the buyer of National Casualty. This was done when Ohio Farm Bureau declined to reply to the question of whether it was the buyer. Paul Jones of Danville, Ill., former Illinois insurance director, handled the transaction in his name.

What the full significance of this move means is exciting considerable curiosity. Farm Bureau Mutual of Ohio operates extensively in the east in such states as Pennsylvania and Maryland where the farmers organizations do not have an insurance company of their own. The Farm Bureau representatives from those states are officially represented on the board of the Ohio company. Of course it is always possible that there may be movements to form home state farm bureau insurers in these states which might create a problem for the Ohio company.

In the west Ohio Farm Bureau is licensed only in Minnesota. There are in a great many of the western states captive insurance companies operated by the state farm bureaus and these are all more or less under the wing of American Farm Bureau Federation which has an insurance advisory service at Chicago and which also has a reinsurance company known as American Agricultural. That kind of a setup, of course, is forbidding to Farm Bureau Mutual of Ohio in its original form. However, National Casualty is licensed in all states and would constitute a highly representative resource for the Ohio Farm Bureau group.

Murray Lincoln, head of the Ohio Farm Bureau setup, has exhibited a close affinity for the labor movement and is believed to be particularly close to the United Automobile Workers. Thus there will be interest in whether National Casualty becomes an instrumentality close to the labor union and group insurance field.

Also the Ohio Farm Bureau insurance companies reports reveal that they now have a 1% stock interest in Columbian National Life of Boston.

T. L. Haff Now Chairman of North American C. & S. Re

NEW YORK — T. L. Haff has been elected chairman of North American Casualty & Surety Reinsurance. Mr. Haff had previously been president and he was for 22 years U. S. manager of European General Reinsurance, the predecessor company.

Robert I. Boswell of Boswell & Curtis, Richmond, has been named to the mayor's price stabilization advisory committee, representing the public.

THIRD YEAR IN ROW**Kill Compulsory State Fund TDB Bill in Mass.**

Nineteen Democrats bolted party leadership and voted with Republicans in the Massachusetts house last week to reject the administration-sponsored state fund compulsory non-occupational disability measure. This is the third straight year that this type of bill has been defeated in Massachusetts. The vote this time was 126 to 103 and it followed four hours of bitter debate. Reconsideration was defeated by a vote of 121 to 103, and the bill is now dead for this session unless revived by a special message from the governor.

The bill was sponsored by both major labor groups and had the specific endorsement of Governor Dever. The Democratic leaders refused to compromise with the Republican plan calling for compulsory disability insurance financed through the companies. The Republican plan called for insurance through private companies and required

an employer to install a program on petition of 65% of the workers in his plant. This was turned down by a vote of 114 to 113. Another compromise offered a plan almost identical to that in California.

A bill increasing the wrongful death limit from \$15,000 to \$20,000 has been approved by the house. Another bill, permitting Massachusetts savings banks to invest in capital stock of fire companies, also has been approved.

It was reported that the legislative committee on insurance was in agreement on doing away with the present 1872 model statutory standard policy and substituting for it a new standard form similar to the 1943 New York policy. Some of the present Massachusetts features more favorable to insured would be retained.

Denies Blue Cross Plea

A hospital insurance plan that excludes payments for hospital service "provided for under any compensation law" cannot avail itself of this exception if the compensation insurer has recouped its outlay for hospital care through a lien against the proceeds of a third-party settlement made by the insured, the appellate division of the New

York supreme court has decided in *Moeller vs. Associated Hospital Service of the Capital District*.

The New York law gives a compensation insurer an enforceable lien against the proceeds of third party settlements and the court held that when the compensation insurer has been thus reimbursed it has no longer "provided" the hospital service under the compensation statute.

Hold Hearing on Ill. Bills Having Insurance Interest

The Illinois senate judiciary committee conducted a hearing this week on the bill to increase the wrongful death limits from \$15,000 to \$25,000. This bill has already been approved by the house committee.

The house judiciary committee had a hearing on the bill to prohibit the solicitation of legal claims in business by or for lawyers, and prohibiting financial aid to clients as an inducement to continuing the relationship of attorney and client.

On Wednesday the house insurance committee had an open hearing on three companion bills on non-profit hospital and medical service plans which have a provision that only 30% of the directors need be doctors.

The senate highways committee Tuesday will have an open hearing for opponents of the compulsory automobile liability insurance bill. The proponents were heard April 10. The house insurance committee on April 23 will have a hearing on two measures which require compulsory auto liability insurance.

A bill has been introduced in the senate, understood to be sponsored by the agents, which would restrict issuance of licenses when the principal use is to be for obtaining fire or casualty insurance on the agent's property or that of his relatives, employers or employees. This measure is referred to as an anti-coercion bill.

The house insurance committee has recommended "do pass" a bill designating the classes of insurance a reciprocal company may write and fixing the requirements necessary to obtain a license in Illinois.

Minn. Legislature Increases Compensation Benefits 14%

ST. PAUL—The Minnesota legislature officially ended April 19 although it will run a day or two longer by covering the clock, to permit cleaning up the last minute jam of legislation.

Insurance-wise, probably the most important legislation had to do with compensation insurance. It is estimated that the overall increase is about 14%, based on 1950 experience. Effective July 1 the maximum weekly benefit is increased from \$30 to \$32. The maximum for permanent total disability is raised to \$18,000.

Under the present law, employer and insurer have been liable for up to \$10,000 in weekly payments with an additional \$5,000 from a special state fund. The new law eliminates the special fund payments and the entire \$18,000 is to be paid by employer and insurer.

The time limit for temporary total or partial disability is made 310 weeks compared to 300 and for healing period 104 weeks instead of 50.

Workers will be reimbursed for eyeglasses, dentures, and artificial limbs lost or damaged in compensable injury cases.

In the fire insurance line the two most important bills fell by the wayside. One was the new standard policy incorporating some features of the New York form; the other was the bill broadening inland marine writing. Several bills affecting small mutuals were passed.

M. O. Allen Zone 3 Chief

M. O. Allen, Tennessee commissioner, was elected chairman of zone 3 of N.A.I.C. at the convention at New Orleans succeeding Spalding Southall of Kentucky.

CHICAGO RECIPROCAL BLOWS**Receivership, Fraud Actions Brought Against W. N. Lowe**

A suit for receivership for Progress Insurance Assn., Chicago reciprocal, has been filed in circuit court in that city by the Illinois attorney general at the behest of Insurance Director Day. Also Mr. Day announces that he has requested States Attorney Boyle of Cook county (Chicago) to seek an indictment of William N. Lowe, president of Progress, on a charge of fraudulently juggling records to cover up the insolvency of P.I.A.

Mr. Day explained that recently Mr. Lowe filed with the department, a financial statement that Progress owned outright, three \$100,000 government bonds which made P.I.A. appear solvent. Mr. Day dispatched Jerry Friedberg, an examiner, to investigate and he was told that the bonds were in the custody of a bank. Friedberg insisted on seeing the bonds and discovered that they were held pursuant to a sham arrangement to secure a \$300,000 loan from the bank to Lowe. According to Mr. Day, P.I.A. did not, in fact, have any interest in the bonds and "is, on the basis of its own report, hopelessly insolvent." The bank, according to Mr. Day, sold the bonds April 14.

Wrote Negro Business

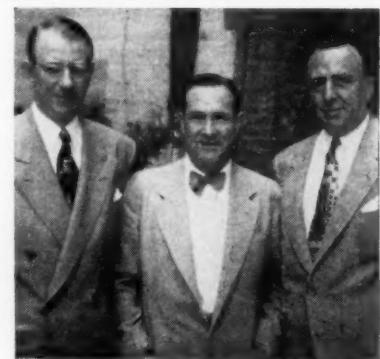
P.I.A. has specialized in handling certified risks, Negro business and hard-to-place lines in general. Mr. Day said he had been scared of the company but has been making every effort to clear up its difficulties and keep it going because it has provided an outlet for automobile insurance for Negroes.

Lowe is named as a defendant along with the company in the receivership action as is also I. A. Klupar, secretary. Mr. Lowe was with Allstate in its early days and he put P.I.A. together in 1942.

At Dec. 31, 1949, P.I.A. reported assets of \$485,366, surplus of \$33,692, premiums earned \$982,357, losses incurred \$650,241, expenses incurred \$363,787.

This is the second Chicago reciprocal that Mr. Day has proceeded against recently, the other being Great Lakes Automobile Insurance Group. According to State Rep. W. R. Arrington in a talk before Chicago Bar Assn. insurance committee, Mr. Day is anxious to step up the organization requirements for reciprocals as he believes this has been a device that has been abused by promoters that work on a shoestring.

Both Great Lakes and Progress had a lot of Negro risks. These are now going mainly to the assigned risk plan. Also Progress had considerable finance business from Robert Butz of Springfield.



Royal-Liverpool trio at W.U.A. meeting at St. Augustine—J. C. Qualmann, assistant U. S. manager in charge of Pacific Coast; Clarke Smith, deputy U. S. manager, and E. R. Voorhis, assistant U. S. manager in charge of western department.

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Wants Rating Plans Applied to All Eligible Risks

A recommendation that schedule and experience rating plans be revised so as to make it mandatory that they apply to each risk eligible was contained in the talk of Currey Sanders, Tennessee deputy commissioner, in his talk at the zone 3 meeting of National Assn. of Insurance Commissioners at New Orleans. Mr. Sanders said that this rule would meet the requirements of rate regulatory laws.

Mentioning complaints received by the Tennessee department on experience and schedule rating, Mr. Sanders said that the application of such an underwriting method sometimes places the department in an embarrassing position when it must compel the risk, through the insurer, to pay out considerably more premiums in order to comply with the rating laws.

Plans Formulated Improperly

This is brought about principally because of improperly formulated experience in schedule rating plans as now on file, he commented. It is especially true when complaints are in regard to coverages afforded political sub-divisions. Schedule rating lends itself to abuse, principally because the application of the plan is left almost entirely up to the judgment of the agent or underwriter. Therefore, it is in direct conflict with the discrimination statutes.

Mr. Sanders said that any rating plan which is so flexible that it permits unfair discrimination between risks in the application of charges or which discriminates unfairly between risks of essentially the same hazards, does not meet the standards of rate regulatory laws.

It is not a pleasant duty, he added, to approve rate increases knowing that improper application of experience and schedule rating plans in their present form prevent the companies from receiving the proper amount of premium.

Wants Each Risk on Its Own

An experience rating plan, in its proper form, is a necessity in the casualty business, Mr. Sanders said, but he added that such plans should be formulated so as to provide that it shall be applied mandatorily to each risk meeting the eligibility requirement as called for. Each risk eligible to be written under any experience or schedule rating plan should stand on its own; that is, the risk with adverse experience should receive its proper debits, while a risk showing good experience should receive its due credits.

Mr. Sanders recommended that the companies formulate some plan or agreement which would provide for the interchange of experience between all companies, thereby eliminating as much discrimination in charges and credits as possible between risks having the same hazards. He said this also would avoid



Mrs. C. W. Ohlsen, wife of western manager of Sun, and Mrs. E. H. Forkel, wife of western manager of National Fire, at St. Augustine meeting of W.U.A.

placing companies or their agents in violation of the rate laws. Such a plan or agreement would not be prohibitive under public law 15, he opined.

\$5 Million Alaska Bond

Haddock Engineers & Associates of Los Angeles, composed of Haddock En-

gineers, Engineers Ltd., Tucker-McClure, Inc., and Ben C. Gerwig, Inc., have been awarded a contract for the construction of a housing project at Whittier, Alaska, at \$5,786,000. Travelers Indemnity is on the payment and performance bond for Haddock Engineers and Engineers, Ltd.; National Surety for Tucker-McClure and U. S.

F. & G. for Gerwig.

Louis C. Dunn, Inc., Los Angeles, has been awarded the contract by Douglas Aircraft Co. for construction of a warehouse building and appurtenances at its El Segundo, Cal., plant at \$1,055,700. Massachusetts Bonding through its Los Angeles office executed the bond.



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CHANGES IN CASUALTY FIELD

New Setup for Carolina Casualty

George W. Smith, who has been assistant manager of the southern department office of National Surety at Atlanta, has joined Carolina Casualty at Burlington, N. C., as executive vice-president and a director. He will thus be in general charge of operations taking over the duties of Col. Reese Hill, who resigned as president recently to go with Crum & Forster.

Shepard Broad of Bay Harbor Island, Fla., who has been chairman of Carolina Casualty, was elected president as well.

Mrs. R. W. Barnwell, Sr., of Burlington has been elected a director, filling the place held by the late P. C. Baylor.

Mr. Smith started with Hartford Fire at Atlanta in 1926. He served in a variety of positions in the southern de-



George W. Smith

partment and traveled in various southern states from Virginia to Texas. In 1943, when he was superintendent of the marine and automobile department, he resigned to become executive special agent for National Surety at New York. He has been located at Atlanta for that company since 1946, being concerned mainly with casualty business.

Havekotte Heads Neb. Insurer

C. E. Havekotte, formerly with Central Surety, has been elected president of Universal Surety of Lincoln, Neb. He succeeds Morris Freshman, who becomes chairman.

Mr. Havekotte was assistant secretary and superintendent of the contract bond department of Central Surety. With the exception of a period of army service, Mr. Havekotte had been with Central Surety for 18 years.

Assistant Secretary Ralph Schoffstall becomes manager of the fidelity and surety department of Central Surety.

F. A. Patzer, contract engineer, succeeds Mr. Havekotte as superintendent of the contract bond department.

R. A. Hubbard, vice president will

continue to exercise general supervision of the bond, burglary and glass departments.

Caudill Named Bonding Chief of Fire Association

Announcement is made that Fire Association and Reliance will commence writing fidelity and surety bonds about May 1. Both companies started in the general casualty business last summer.

Watson H. Caudill, who has been elected assistant vice-president, will manage the bonding department.

Mr. Caudill attended University of Kentucky and graduated at University of Michigan law school. He started as a bond claim attorney with Southern Surety and was successively with Constitution Indemnity and Massachusetts Bonding. In 1939 he joined Manufacturers Casualty to organize the bonding department and became vice-president. He has resigned that position to join Fire Association. He is past president of University of Michigan Club of Philadelphia.

Promote 3 at Home Office of Industrial Indemnity

Industrial Indemnity has named Fred Drexler as secretary; V. E. Howard, Jr., casualty manager, Richard E. May, administration manager.

Mr. Drexler has been with the company since 1946, for the past three years as assistant secretary. Mr. Howard started with Industrial Indemnity in 1941 and has served as underwriting manager and assistant division manager at San Francisco, and manager at Fresno and Oakland. Mr. May will be in charge of office methods and equipment.

Boone New D. C. Manager of Aetna Casualty

William A. Boone has been appointed manager at Washington for Aetna Casualty to succeed Guy E. Mann, who has been named Boston manager.

Mr. Boone has been field supervisor at the home office. He graduated from Swarthmore in 1930 and went with Aetna Casualty as a special agent at Philadelphia. He went to Boston as superintendent of agents in 1942 and after navy service during the war went to the home office as agency supervisor. He is a lieutenant commander in the naval reserve and is past president of the Hartford chapter of Reserve Officers of Naval Services.

Rithmiller to Home Office

John F. Rithmiller has been appointed to the home office engineering staff of Lumbermens Mutual Casualty. He has been for seven years safety engineer at the Indianapolis office and before that had been in the Chicago branch safety engineering office.

After graduating in electrical engineering from Chicago Technical Institute in 1926, he worked for the Illinois Central railroad, where he became designer of overhead electrical distribution systems.

Johnson to Mutual Service

The Mutual Service companies of St. Paul have appointed Douglas W. Johnson advertising supervisor. He formerly was personnel manager for North American Life & Casualty.

\$300,000 Embezzlement Covered

The \$300,000 shortage created by two bookkeepers who juggled the books of Syracuse Trust Co. at Syracuse, N. Y., is completely covered by insurance. The two embezzlers were arrested last week. The F.B.I. alleged that the men had misappropriated funds of the bank by holding out checks on accounts.

COMPENSATION

Attack Cal. Bills Okaying Private Comp. Companies

Officials of the California state fund have attacked bills giving state departments and local political subdivisions the right to carry workmen's compensation insurance with private companies.

Present law requires that public risks be carried with the state fund unless that group refuses the risk. While the officials were arguing against the bill, a resolution was introduced in the assembly charging that they were conducting an "aggressive lobbying campaign" and asking that it be stopped. The resolution was referred to the rules committee.

Kan. "Comp" Rate Increase

Instead of a 5.1% rate reduction in Kansas for workmen's compensation as reported in the April 12 edition, there is an average increase in that state of 8.6% which includes the revision for increased benefit provisions. The increased schedule became effective April 1. For policies expiring between April 1 and May 1 there is no retroactive application, but for policies expiring after May 1 there is being collected a flat 8.6% increase for the unexpired portion to compensate for the increased benefit provisions.

Gives Cal. Hearing Preview

LOS ANGELES — Commissioner Maloney has sent a notice of resumption of the hearing on the petition to adopt a new prospective rating plan for workmen's compensation insurance, to be held at San Francisco May 1. No further hearing will be held at Los Angeles.

The hearing will be limited to consideration of the multi-split experience rating plan. Its principal purpose is to obtain all relevant information, arguments, or contentions with respect to the original proposal of California Inspection Rating Bureau and, in particular, with respect to certain technical questions relating to the original proposals which were raised at the previous hearing.

Fla. "Comp" Rates Up

Commissioner Larson of Florida has approved an average increase of 5.6% in the workmen's compensation rates in Florida. However, he declined to permit an increase in the profit factor from 2 to 2 1/2% as was requested by the bureau.

Mary F. Hicks, an attorney with Massachusetts department of industrial accidents, has been appointed a member of the industrial accident board. The board adjudicates compensation claims.

NON CANCELLABLE A. & H. COVERAGES

CHECK THESE SPECIFICATIONS

- ✓ 1. Accidental Bodily Injury Insuring Clause.
- ✓ 2. "His Occupation" Definition of Total Disability.
- ✓ 3. Non-aggregate coverage for as long as 120 months or to age 65—House confinement never required.
- ✓ 4. Lifetime Accident if desired.
- ✓ 5. Waiver of Premium after 90 days.
- ✓ 6. Liberal Hospital and Surgical Benefits on an optional basis.
- ✓ 7. Policies Guaranteed by one of America's oldest and largest Accident & Health writing companies.

plus an outstanding pre-approach plan

Brokerage Business Invited

PROVIDENT LIFE AND ACCIDENT
Insurance Company
CHATTANOOGA



Over thirteen years ago, the research laboratory of the Bituminous Casualty Corporation was founded. Originally designed to combat health hazards in coal mines... it soon developed into a full fledged laboratory of research... probing and investigating the conditions and problems of industry, as well as of the mines.

Here is only one example of how Bituminous Research *Serves You*. During the last war many plants were engaged in mildew proofing of canvas goods for the army. This process involved the evaporation of large amounts of flammable solvent resulting in the production of large amounts of explosive vapor. One plant inspection revealed that large quantities of air were constantly being removed from the actual work rooms, but at the level of eight feet above the floor. Explosimeter tests showed that vapor concentrations of explosive intensity were present at floor level. This situation could easily lead to a horrible catastrophe! Bituminous engineers were able to quickly suggest alterations which made it possible to remove the explosive air from floor level and to continue this important operation safely.

Again Bituminous research helped avoid a serious accident in industry. Remember... the goal of Bituminous research is always to help the agent by protecting his clients from occupational hazards in every possible way.

Security with Service

**BITUMINOUS CASUALTY
CORPORATION**

ROCK ISLAND



ILLINOIS

ACCIDENT AND HEALTH

Pacific Mutual Railroad Department Consolidated

Pacific Mutual Life has established a single over-all railroad department with headquarters at Chicago. Heading the new department is Vernon Fyke, for the past two years manager of the eastern railroad division.

The consolidated department replaces the previous eastern and western divisions, which had necessitated separate headquarters at Los Angeles and Chicago. Increase in the volume of Pacific Mutual's railroad insurance, together with Chicago's centralized and strategic location, made this a logical development.

Pacific Mutual now has franchises with about 60 major railroads. Coverage extended to their employes includes A. & H., family hospital expense, family polio insurance and natural death benefits.

Expect Pa. Bill on Group A. & H. to Die in Committee

The bill in the Pennsylvania legislature which would require filing group A. & H. rates with the insurance department is now in committee where, many believe, it will die.

The measure was strongly opposed by representatives of the business who testified at a hearing in Harrisburg that this requirement would tend to stifle business.

Washington Nat'l Enters S. C.

Washington National has entered South Carolina, extending its territory to 47 states and District of Columbia.

Organization of an agency force in South Carolina will be pushed. The company's entire line will be written there, including life, A. & H., hospitalization, franchise and group.

N. C. to Regulate A. H. Rates

RALEIGH—The North Carolina legislature has passed a bill which gives the insurance commissioner power to regulate A. & H. rates. It is aimed at small loan agencies which require borrowers to take out excessive amounts of A. & H. insurance.

The legislation grew out of recent charges by Banking Commissioner Hood that the writing of A. & H. insurance in connection with small loans amounted to "a legalized racket," and that rates in some cases were "exorbitant."

Get Continental Special Line

Newhouse & Hawley have been appointed general agents for the aviation accident and special risks departments of Continental Casualty. The firm specializes in unusual forms of coverage and represents London Lloyds for coverages not commonly offered by domestic companies.

Continental's aviation accident division has pioneered in the creation and development of low-cost domestic and world-wide air-land-water travel insurance, while the special risks division provides accident, sickness, hospital expense coverages, heretofore available only in foreign markets, for almost any contingency, however unusual or original.

Texas Steering Group Meets

The executive committee of Texas Assn. of A. & H. Underwriters, meeting at Waco with Emerson Davis, Inter-Ocean, Dallas, presiding, discussed plans for building membership, cooperation between doctors and A. & H. men in settlement of claims, and the importance of programs for local associations. Mr. Davis announced that Wilson Reedy, National Life & Accident, Wichita Falls, is chairman of a committee which is

preparing a manual that local associations can use as a guide.

Further Non-Cancelling Restoration

As of March 31, Pacific Mutual Life effected another 6% partial restoration of benefits under the old non-cancellable income policies, which the present company reinsured on a reduced benefit basis. This brings the total restoration now in effect to 42% of that part of the

monthly indemnity not originally assumed.

Tenn. Medical Plan Growing

Tennessee Medical Assn. at its annual meeting at Nashville heard a report that insurance companies offering its hospital and surgical plan have covered 267,000 persons in the 21 months that it has been in operation and expect to increase the number to 500,000. Russell Wagner, actuary of National Life & Accident, was announced as one of the members of the state commission appointed by Gov.

Browning to study the need for hospital care for the indigent.

A resolution was adopted which condemned as tending toward socialized medicine the practice of veterans administration hospitals in giving treatment to veterans for ailments or injuries not service-incurred.

L. B. Horton of the Horton, Yaggy & Kenley agency, San Angelo, has been elected a director of Texas Mortgage Bankers Assn. G. R. Swantner of the Swantner-Gordon agency, Corpus Christi, was elected a vice-president.



Like F&D, he SPECIALIZES

"YAR"

is the "down East" term for this man's handiwork: sleek racing craft, responsive to the slightest touch of the tiller... trim, sound, seawise. For this nautical designer has that "master touch" which only years of specialization can bring.



Where fidelity and surety bonds are concerned, F&D's specialized experience means smooth sailing and selling for the thousands of insurance agents who represent this 61-year-old bonding company.

Thanks to the close-at-hand underwriting facilities provided by its 50 field offices, F&D representatives in all parts of the country find it possible to meet their customers' bonding needs with professional competence, no matter how limited their own experience in this field may be.

In addition, F&D's highly-trained and resourceful field men are always available to render on-the-spot assistance in closing sales or in mapping resultful business-building programs. Other insurance producers interested in increasing their bonding business will do well to investigate F&D's facilities.



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

**Now open new doors with
Abstractor's
Liability
Insurance**



**Available with new lower
deductibles of \$100 and
\$500 at reduced rates.**

Something new is now added to Abstractor's Liability Insurance. It is available with \$100 or \$500 deductible as well as \$1,000 deductible formerly written.

This insurance can be written quickly and easily as responsible members of the abstractor's business need and want it. We originally drafted this form of policy and have been underwriting it for over 10 years. Our experience can be valuable to you in securing new business and assisting you on your existing accounts.

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**USE YOUR OWN COMPANIES
WHEN POSSIBLE**

**Otherwise Let Us Help You with Your Unusual
or Difficult Problems—**

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C. REID CLOON, Manager

175 W. JACKSON BLVD.

CHICAGO 4, ILL.

**60% of Employees
Get More Than DBL
Minimum in N. Y.**

About one-third of the employers in New York state, with three-fifths of the employees, provided more than the statutory minimum benefits required by the disability benefits law which became effective July 1, 1950, according to the annual report of Mary Donlon, chairman of the workmen's compensation board.

Statutory benefits were provided by 104,139 employers with 1,927,331 employees, while 53,060 employers with 2,742,407 employees had greater than statutory benefits.

Figures were not available for Dec. 31. Miss Donlon cautioned that the statistics should not be used as the basis for general assumptions, since July 1 is a date on which employment in the state is affected by seasonal factors. She suggested that for valid conclusions under the new law it may be necessary to wait until a full year's experience has been acquired.

Many Variations in Benefits

The state defined benefits "at least as favorable" as those required by the law as "plan benefits." The latter may vary considerably according to the number of weeks for which benefits are payable, length of the waiting period, amount of weekly cash benefit, hospital, medical or surgical benefits afforded in combination with cash benefits, and also as to the terms under which a plan is effective.

At the end of 1950 there were 522 approved self-insurers. Of these, 474 were employers with 367,471 employees. In addition, 48 applications were submitted by associations, unions or trustees in behalf of an aggregate of 12,612 employers with 241,536 employees for whom they provided benefits.

Of the 4,306 claims filed against the special fund by disabled unemployed, 782 were allowed at an average rate of weekly indemnity of \$21.22. The total amount payable was \$92,016.

Cal. Anti-Coercion Bill

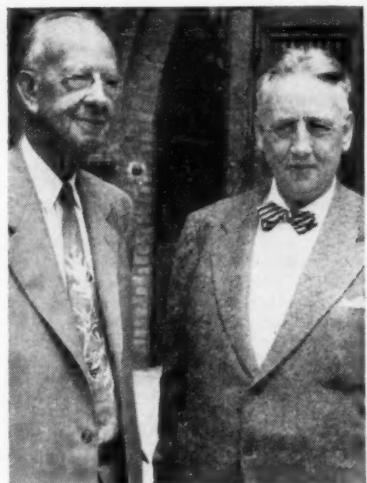
**Ready for Senate: Act on
Department, UCD Measures**

The anti-coercion bill, which was passed by the California house unanimously, has been amended twice by the senate committee on financial institutions and has been sent to the floor with a unanimous "do pass" recommendation. This is the bill which would prohibit the designation of a particular agent, broker or company by persons or corporations loaning money on security of personal and real property.

With four of its members absent attending a Democratic dinner, the house committee on finance and insurance has recommended "do not pass" two department bills designed to regulate the manner in which companies declare dividends, bonuses and participating refunds. One bill would have made unlawful rebates of any dividends, bonuses or refunds which had not been declared by a company's governing board in conformance with a plan which did not discriminate between policyholders in the same classification.

The other bill required that dividends or refunds under participating workmen's compensation insurance also be regulated by a distribution plan.

The committee recommended passage of an amendment to the disability benefits law which would increase present sickness and disability benefits to \$30 weekly, retaining the present 1% tax on incomes up to \$3,000, grant some disability coverage during a strike period, and let any surplus become an emergency fund controlled by the legislature. Opponents of this measure referred to it as a "watered down" version of the original liberalization bill.



H. H. Chittenden, retired Ohio state agent of Home, and Leonard Peterson, vice-president of Home, at W.U.A. meeting at St. Augustine, Fla.

**Kann, O'Leary Verdict
Stands in Criminal Court**

Pennsylvania superior court has upheld the verdict of a criminal court jury in finding Nathaniel P. Kann and Andrew J. O'Leary guilty of willfully subscribing as officers to a false annual insurance company statement. Mr. Kann was secretary and general manager and Mr. O'Leary vice-president of the defunct Keystone Mutual Casualty of

Back Two Wisconsin Bills

MADISON, WIS.—Insurance representatives were joined by automobile, petroleum and other interests in backing a compulsory automobile inspection bill before a senate committee. The measure would require persons registering a motor vehicle to have a certificate of inspection and approval issued by a licensed motor vehicle inspection system not more than 30 days before the registration date. First offense would be punishable by a \$100 fine or six months in jail.

Insurance companies also lined up behind a second bill which would direct the joint legislative council to conduct a study of problems arising from motor vehicle accidents. A sum of \$15,000 would be appropriated annually to cover the cost of the study.

**CLIMBING THE LADDER
OF SUCCESS IN THE
FINANCE INSURANCE FIELD**

DEC. 31, 1950
ASSETS . . \$2,318,280
SURPLUS . \$ 545,639

DEC. 31, 1949
ASSETS . . \$1,123,084
SURPLUS . \$ 505,867

DEC. 31, 1948
ASSETS . . \$346,797
SURPLUS . . 346,243

**AMERICAN BANKERS
INSURANCE COMPANY**
OF FLORIDA
LANDON BUILDING MIAMI 32, FLORIDA

**SPECIAL
AGENTS
WANTED**

To handle "RETROPLAN" and "BANCINSURANCE" contracts—outstanding time-tested plans for Bank, Finance and Loan Company Auto Physical Damage Insurance. Representatives now earn upwards of \$10,000 per year on commission basis. If you can qualify by financing yourself or as "ADDITIONAL REPRESENTATION" write us today.

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Garage

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Diemand Trophy Is Won by New York for Third Time

The New York office of Indemnity of North America has won permanent possession of the John A. Diemand trophy by winning it the third time. The managers are Frank S. Vanderbilt and James R. Rooney. New York had won previously in 1947 and 1949.

In the 1950 competition, Baltimore was second, followed by Washington, Newark, Harrisburg and Cleveland in that order.

The Diemand trophy is a plaque with a silver medallion suitably inscribed each year and awarded to the office showing the best all around record in excellence of operation, especially in service to agents and brokers.

The original Diemand trophy was won by the Philadelphia metropolitan office in 1944. The plaque won by New York is the second to be offered.

C. S. Roberts, vice-president, has announced that a third John A. Diemand trophy will be offered in competition in 1951 on the same terms as the two previous plaques.

Standard Accident Appoints Five to Midwestern Posts

Standard Accident has named Clifford E. Clemens manager of the claims department at Chicago. John A. Travers and Henry J. Fredericks, Jr., have been appointed claims representatives at St. Louis. William S. McConnell has been named field representative for A. & H. at Chicago and Gordon A. Juhl has been made casualty underwriter there.

Mr. Clemens joined Standard Accident in 1937 as an adjuster at Minneapolis. He was transferred to Milwaukee in 1941 as claim adjuster in charge and then was made claim manager there in 1946. He was transferred to Chicago in 1949 as assistant claim manager. He is an attorney.

Mr. Fredericks has been an adjuster for Maryland Casualty. Both he and Mr. Travers are veterans of the last war and attorneys. Mr. McConnell entered insurance in 1944 at Chicago with Continental Casualty. He became a broker and in 1948 joined Phoenix of London at Chicago as resident superintendent in charge of A. & H. underwriting and production. Mr. Juhl has been an assistant fire inspector for National Fire at Chicago and had been an underwriter for the Kemper group. He is an ex-marine.

Garage Form Interpreted

Attention is called to the letter from Universal Underwriters Insurance Co. of Kansas City signed by K. W. Evans, vice-president, that was printed in the April 5 edition on Page 28 under the heading "Scan Pleasure Use Coverage in the New Garage Policy." This letter was written to THE NATIONAL UNDERWRITER because Universal Underwriters had received a letter from National Bureau of Casualty Underwriters that purported to interpret the new garage liability policy rules.

The National Bureau had written to Universal Underwriters advising that under the new garage liability policy rules effective Feb. 19, the qualifications with respect to "used principally" provoked numerous questions of coverage and it was decided to provide for the pleasure coverage so long as the automobile owned by the named insured was used in connection with the business of the garage. Such interpretation appeared quite logical and was accepted by Universal Underwriters as the correct interpretation. The National Bureau has now notified Universal Underwriters that there was an error in their letter resulting through transcription of stenographic notes and what the bureau had intended to say was that "pleasure use" is covered so long as the automobile is

owned by the named insured in connection with the business of the garage.

Universal Underwriters has, therefore, corrected its records and agreed to interpret the garage liability policy as providing pleasure use as now intended by the bureau and agree that the March 15 article on Page 29 of THE NATIONAL UNDERWRITER was a correct interpretation of the new rules. Pleasure use will be covered by Universal Underwriters so long as the automobile is owned by the named insured in connection with the business of the garage.

Give Indigent Hospital Care

ST. PAUL—Under a bill passed by the senate, old-age pensioners and others receiving state and county aid in Minnesota will get medical and hospitalization care through a non-profit corporation such as the Blue Cross and Blue Shield. The state director of social welfare is authorized to enter into contracts for such coverage.

III. Figure Is Corrected

In the tabulation of Illinois casualty experience in the April 5 edition, the fidelity premiums of Indemnity of North America were incorrectly set forth. The figure should have been \$81,851.



William B. Rearden, Jr., of Towers, Perin, Forster & Crosby of Philadelphia, and Mrs. Ivan Escott, whose husband is executive vice-president of Home, at W.U.A. meeting at St. Augustine, Fla.

Frank Mathis, deputy state fire marshal of Kansas, is recovering from injuries suffered in an automobile accident as he was returning to Topeka from the Inspection of Arkansas City by Kansas Fire Prevention Assn.

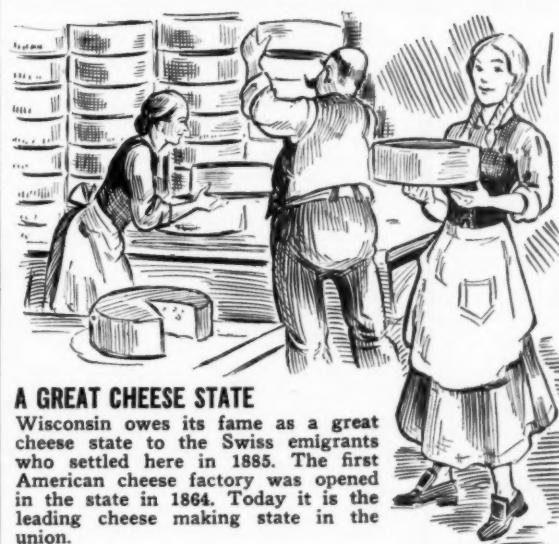
Garage Liability Cover Positively Was Broadened

There has arisen some misunderstanding with respect to the coverage afforded by the broadening of the garage liability policy Feb. 19. On that date, division one of the definition of hazards was amended specifically to include pleasure use of automobiles owned by the garage, by named insured, partner, or executive officer, "or a member of the household of any such person."

Prior to Feb. 19, if the car was devoted to such pleasure use, the car had to be principally used in the business of insured. Subsequently this has not been the case. Insured, partner, or executive officer may turn it over to a member of his household for their exclusively pleasure use—if the automobile is owned by the garage in connection with the garage business.

It does have to be a garage car and appear on the books of the business as such. A partner, for example, could not purchase a car and turn it over for the use of a member of his household and have it covered—the garage would have to buy it. Another illustration: If the car was purchased as a garage car and the partner turned it over for use by his son to drive while at college, the automobile is covered.

HIGH SPOTS IN HISTORY 8. WISCONSIN

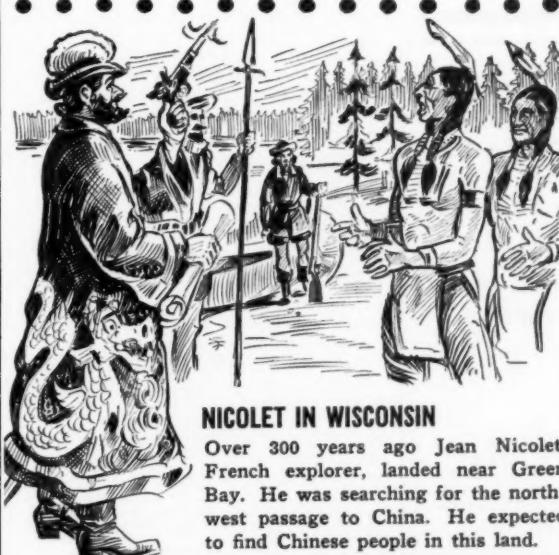


A GREAT CHEESE STATE

Wisconsin owes its fame as a great cheese state to the Swiss emigrants who settled here in 1855. The first American cheese factory was opened in the state in 1864. Today it is the leading cheese making state in the union.

THE TYPEWRITER IS INVENTED

While one thinks of the typewriter as a relatively modern achievement, the first typewriter was invented back in 1868 by three Milwaukee inventors. This was the beginning of the first modern typewriter.



NICOLET IN WISCONSIN

Over 300 years ago Jean Nicolet, French explorer, landed near Green Bay. He was searching for the northwest passage to China. He expected to find Chinese people in this land.

ALWAYS A HIGH SPOT...

.... among insurance agents is when they join Hawkeye-Security & Industrial. These agents know that these two great companies do everything possible to help them build volume. They can depend upon Hawkeye-Security & Industrial to provide prompt settlement every sales aid and skilled field representatives to work closely with them at all times.



HAWKEYE - SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa

Charges Subsidy in Sask.

Hugh Ham Alleges Private Car Cover Doesn't Pay Own Way in Province

LONDON, ONT.—The cost of private passenger car insurance under the Saskatchewan government's plan would be much higher than it is were it not, in effect, subsidized by operators of commercial vehicles, by private insurance companies, and by the many Saskatchewan citizens who own old model cars. This statement was made here by Hugh Ham, Toronto insurance executive, representing the All Canada Insurance Federation, in addressing a joint meeting of London Rotary Club and London Insurance Agents Assn.

Mr. Ham claimed that these subsidized rates were quoted by Saskatchewan's socialist government throughout Canada in an attempt to provide the advantages of government-owned enterprise. "The true facts are hidden behind a barrage of political propaganda," Mr. Ham said.

The government's propaganda has been difficult to refute, he said, because

statistics had not been available until recently. But a recent request from a North Dakota commission, studying insurance legislation, had placed the Saskatchewan government in the embarrassing position of having to disclose hitherto concealed figures. The North Dakota commission, after careful study, decided against the Saskatchewan plan.

Mr. Ham said in 1949, under the accident compensation section and compulsory private passenger car section, the government paid out in losses and expenses \$367,000 more than they took in. Except for \$30,000, the difference was paid for by overcharging owners of commercial vehicles. "Thus the commercial car operators not only subsidize the private passenger car operators, but in effect help to pay for socialist propaganda," Mr. Ham said.

When car owners purchase private insurance under a standard automobile policy to supplement compulsory insurance, as many Saskatchewanians do, the law says that when a loss occurs, "the insurance company must pay to the full extent of its policy before the government pays anything under its compulsory liability insurance." This is contrary to the insurance principle, in force everywhere else, that two insurers on the same risk share any loss. Thus the private insurance companies subsidize the Saskatchewan scheme.

Figures supplied by the North Dakota commission disclosed that the average age of automobiles in Saskatchewan was 20 years. This meant, said Mr. Ham, that many of the cars must be well over 20 years in age. Thus owners of cars valued at small amounts are compelled by law to purchase collision, fire and theft insurance and in the event of a loss must pay the first \$100 themselves. Premiums paid for this insurance, which provides very little protection, benefits the owners of new cars by reducing the average cost.

Many Charged to Compensation

In other territories, where a workman who comes under the terms of a workmen's compensation act, is injured, and an automobile owner is held responsible, the workmen's compensation board may recover from the motorist. Saskatchewan has deprived their workmen's compensation board of the right to recover from the government's insurance fund. Accordingly, many losses properly chargeable to motorists are charged against industry in the form of losses paid by the workmen's compensation board.

"The economic loss to the community arising from automobile accidents can be diminished only by legislation which reduces the frequency of the accidents," Mr. Ham said. "The Saskatchewan scheme does nothing to solve this basic problem. Accident rates have increased more rapidly than in any other province."

DISPUTES LINK THEORY

REGINA, SASK.—The trend in automobile accidents is not governed by insurance, whether or not the latter is compulsory, according to the results of a survey reported by the Saskatchewan Government Insurance Office. M. F. Allore, head of SGIO, says that the contention that compulsion in insurance tends to increase accident rates is not supported by the facts.

Mr. Allore said accident frequency depends on frequency of opportunities for accidents—that is, number of drivers, number of vehicles and number of miles driven in a given period; also on the tendency of drivers to be accident-prone; on road, weather, vehicle and other non-human factors, and on regulations and their enforcement.

"Thus," says Mr. Allore, "the traffic accident problem is one of modifying a set of conditions already created by the general economy, government policy, and public attitudes. Insurance, since it is designed merely to deal with the results of those conditions, as modified, can, therefore, not reasonably be expected to greatly influence the problem of modifying them."

Littlefield at Cincinnati

James H. Littlefield, Columbus manager of National Surety, has been in the Cincinnati branch handling details there until a new manager is appointed to replace G. W. Draper, who resigned April 1.

NASHVILLE TEAM FOR SURETY BOND GROUP

H. Phelps Smith, the newly elected president of National Assn. of Surety Bond Producers, is a partner in the Nashville agency of Gale, Smith & Co. He was educated at Holbrook University.



H. Phelps Smith



James B. McKee

Multiple line underwriting calls for a review of your Reinsurance requirements.

Our trained staff can be of valuable assistance in helping to work out your problems.



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Hotels, meals, automobile and other means of travel have doubled in the past few years. You can reduce your costs on travelling expense by using AV&S audit and inspection service. You pay only the pro rata expense for the work done by our salaried, bonded and insured field men. Fifty headquarters cities where no road expense is charged.

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369 Pine Street, San Francisco
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Commissioner Bisson of Rhode Island did not renew Preferred Accident's license April 1. The question of license renewal is up also in Maryland and the Maryland department has issued an order returnable Friday to Preferred to show cause why its license should not be renewed.

The RFC \$8 million loans to Preferred-Protective Corp. of New York, on behalf of Preferred Accident on the latter's preferred stock, has not been "very satisfactory," according to information from official circles. There have been grapevine reports in such circles regarding changes in Preferred-Protective Corp. of New York, spokesman said he did not know what will be done. He indicated that "probably" new money might be requested of RFC, but not what RFC would do about such a request.

While RFC claims it does not "manage" the business of its debtors, it is admitted their management "has to be satisfactory" to the lender. In this case apparently the management is not satisfactory. It is pointed out the company is under state regulation and its management is subject to state approval.

RFC made three loans to Preferred-Protective: April 1947, \$3 million; June 1947, \$2 million; July, 1949, \$3 million. **Buffalo Blue Cross Hike**

Hospital Service Corp. of Western New York, Buffalo Blue Cross unit, will increase rates May 15. The individual semi-private rate will jump from \$1.24 to \$1.48 a month and family from \$3.16 to \$4.40; individual ward service \$1.04 to \$1.40 and family \$2.72 to \$4.20. Blue Shield will not be affected.

C. G. Schillerstrom, general agent of Paul Revere Life at New York City, who is a former president of International Assn. of A. & H. Underwriters, has been elected president of the class of the 100th agency management school of Life Insurance Agency Management Assn., now in session at the Edgewater Beach hotel, Chicago.

Leslie C. Brown, Franklin, has been appointed chief examiner for the motor vehicle responsibility division of the Tennessee department of safety.

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DEATHS

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who had been connected with Medical Protective since 1922, died at Henry Ford hospital at Detroit at the age of 68. He had just been named in an Associated Press poll for football's all-time Hall of Fame.

B. HOWARD BENTLEY, partner in Bentley Bros. agency, Honesdale, Pa., died there after a long illness.

THEODORE S. KOCH, 75, St. Louis broker, who had been with Travelers 47 years, died of a heart attack suffered while driving his automobile.

JOSEPH E. DUPUY, 71, retired local agent at Roanoke, Va., died there.

WILLIAM J. MERN, 53, Binghamton, N. Y., local agent, died at his home there. He purchased the George H. Dann agency after Mr. Dann's death. He had been manager of its fire and casualty department.

HOWARD K. CHAMBERS, 62, special representative of Provident Life & Accident working out of the Detroit office, died in hotel at Grand Rapids. He was formerly a Detroit automobile man and once headed Detroit Automobile Dealers Assn.

Disaster Potential Poses Problem for W. C. Insurers

The possibility of disaster presents a triple threat to the social insurance programs for which the Workmen's Compensation Board of New York state is responsible, Chairman Mary Donlon of the board informed the governor in her annual report.

She said however that all phases of the problem are the subject of planning that is already well advanced. The board, she said, is concerned with the consequences of disaster in terms of increased claims; with the difficulties of administration under disaster condition; and with maintaining the solvency in the event of disaster of those whose responsibility it is to pay claims.

In her report she cited a number of factors which may add to the problems of workmen's compensation insurers.

"Whatever increases significantly the labor force in the state, increases by that much the number of those entitled to workmen's compensation and disability benefits," she said. "Government pressure for multi-shift operations, often requiring work under fatigued conditions and on machinery too infrequently idled for maximum safety overhauling; the recruitment into hazardous employment of personnel relatively unskilled in the techniques of safe machine operations; and the demoralizing effects on the personal safety precautions of workers that are exerted by casualty apprehensions as to the members of the family or friends in the military; all these forces work to increase heavily the operations of the board."

See Casualty Surtax Fight

ST. PAUL—A surtax on casualty premiums is expected to be demanded by police officers of Minnesota following the decision of the state supreme court upholding the surtax on fire premiums for firemen's relief funds. It is too late to get action at this session of the legislature but it is believed the policemen will have a bill ready at the 1953 session.

Two years ago the policemen were agitating a casualty surtax but were sidetracked. At this session they did not renew their effort because the lower court had held the fire surtax unconstitutional and it was believed the supreme court would uphold that decision.

Another Mich. Negligence Bill

LANSING, MICH.—The perennial effort to place a comparative negligence law on Michigan's statute books has been resumed in the Michigan legislature.

A measure introduced in the house would amend the present Michigan statute which bars recovery of damages in accident cases if a driver is guilty of contributory negligence by declaring specifically that a degree of negligence

would be no bar to recovery of damages if that negligence was not held to have been as great as that of the other party involved.

Texas Department Hikes Auto B.I., P.D.L. Rates

AUSTIN—Automobile rates in Texas will generally be higher on both physical damage and liability lines, according to the rate order issued by the Texas department, effective May 1. Practically all rates on private passenger cars were increased, while various commercial classes and some garage risks were granted reductions. The changes will effect a premium volume increase of a little more than 5%, it is estimated.

The \$50 deductible collision rate has been upped 5.3%, with a 5.9% increase on the \$100 deductible and a 6% increase on the \$25 deductible. There is a 10% increase on comprehensive coverage.

Rates for B.I. and P.D.L. on private cars generally have been increased.

However, B.I. rates remain unchanged in Dallas and Fort Worth and the P.D.L. rates remain unchanged in practically all of the state except metropolitan areas.

There is a 10% reduction in the fire rate for local and long distance hauling and a 5% reduction for intermediate hauling, with an overall increase of 5% in that part of the order setting up uniform differentials between deductibles. For the most part buses are granted reductions for both B.I. and P.D.L.

The most important change in the rules deals with the broadening of the garage liability coverage so as to include use of owned automobiles for non-business or pleasure purposes. B.I. rates for this coverage were reduced and P.D.L. rates increased.

Aetna Casualty Sales School Graduates Its 121st Class

Arthur C. Lantz, West Hartford agent who addressed the banquet concluding the 121st session of the Aetna Casualty sales course, said his attendance at the course two years ago "proved to be the turning point in his insurance career."

He won a special award for compiling an outstanding record in the six months following his graduation and has been a member of the Aetna Accidents Leaders' Club each year since taking the course.

Before attending the Aetna sales course, Mr. Lantz said, he had been an insurance "order-taker," whereas after graduation he began for the first time to assume properly the agent's responsibility to offer sound insurance counsel and service.

The class was led by Marty Cox of Hemet, Cal. Other blue ribbon awards for high scholastic standing went to F. W. Dobbins, Boston; C. W. Humphrey, Jr., Tarentum, Pa.; R. C. McKay, Knoxville, Ia.; R. M. Miller, Wyncote, Pa., and F. D. Ryan, North Troy, N. Y.

Gold ribbon awards for demonstrating outstanding skill in soliciting techniques were presented to W. W. Neale, Charlotte, N. C.; Mr. McKay and Lloyd D. Schnert, Walsenburg, Col.

Safety Conference in Tenn.

Robert Clair, Liberty Mutual, Boston, spoke on "Modern Inspection Technique" at an industrial safety conference at University of Tennessee, the general topic being "Advances of Safety Engineering in the United States." Three officials of the U. S. bureau of mines gave lectures and demonstrations.

To Hear Compensation Chief

Casualty Underwriters Assn. of New Jersey, will hold a luncheon meeting at Newark May 14. Bernard Hamilton, chairman Compensation Rating & Inspection Bureau of New Jersey, will speak.

5 millionth claim paid by State Farm Mutual

A California driver recently received payment of the State Farm Mutual Automobile Insurance Company's 5 millionth claim, in 28 years. During 1950 over 502,000 claims were paid. The company now pays, on the average, one claim every 15 seconds of the working day!

These prompt, fair claim settlements plus low rates have attracted over 1,800,000 members.



*These four operating practices
pioneered by State Farm Mutual
make low rates possible*

1. Members pay only one "sales cost."

Instead of paying a selling cost on a policy each time the policy is renewed, State Farm Mutual members pay this cost once, and only once—when the policy is first acquired. This means savings continue year after year.

2. Premium payments made semi-annually. Policies are kept in force by semi-annual premiums instead of annual premiums. This lets members make two smaller payments instead of one large one. It also permits a quicker gearing of rates to actual loss experience. (During the last three years, State Farm Mutual has lowered members' premium rates *three times!*)

3. Careful drivers are sought as members. State Farm Mutual aims to select members with great care. Good drivers have fewer accidents and help keep costs down for all members.

4. Savings are shared mutually. Because State Farm is a mutual company, all members benefit by the savings which the Company's operating efficiency makes possible. One example of efficient operation: Policies are not rewritten at renewal—members keep the same policy as long as they keep the same car. Multiply this saving by 1,800,000 policies a year and you'll understand how this cuts operating costs.



State Farm
Insurance Companies

Home Office—Bloomington, Illinois
Western Office—Berkeley, California
North Central Office—St. Paul, Minnesota
Canadian Office—Toronto, Ontario
West Central Office—Lincoln, Nebraska
Michigan Office—Marshall, Michigan

Agents Hear Elmer Miller, Luecke

(CONTINUED FROM PAGE 1)

Journal of Commerce, told eastern agents, in a talk on cooperation.

Before long there is expected a federal court's view of the legality of in-or-out rules, he added. That will be a good thing. A federal court decision on local board rules is badly needed. Whatever the decision, he said he was not sure his own personal view will be changed much unless it is conclusively shown that the rules are not restrictive. He doesn't see how that is possible. By their very nature and definition, they are restrictive and limit freedom of action. Therefore they are not in harmony with the American free enterprise system, which presupposes equal opportunity and fair play for all. Some local boards, such as Miami, Richmond and Atlanta, have eliminated restrictive provisions in their rules.

With multiple lines and the breaking down of the old barriers between fire and casualty insurance, agents face a new era, one in which to keep ahead agents must acquire a knowledge of lines and selling techniques that formerly may not have interested them. With American economic expansion agents and their companies are going to become increasingly interdependent of each other if the potentialities of new opportunities are to be fully realized. Companies must supply agents with technical information to make them better-rounded producers. Agents can act as reporters for their companies, as their eyes and ears, so to speak, in this new venture. Mistakes are inevitable and there will be trial and error. No one is in better position to observe mistakes and to offer constructive criticism for their correction than agents. No one is in better position to propose new and untried methods of doing business that appear promising. It is proper, therefore, that agents con-

fer with companies, as occasion warrants, to the end that agents achieve the common purpose of supplying insurance buyers with the types of coverage and service they are entitled to, with the greatest efficiency and at least cost. No one could possibly find fault with this sort of cooperation among men of good will. It is a joint obligation that definitely is in the public interest.

To hold their own in relation to the federal government agents need to develop a sound reputation on a solid foundation in Washington through self-control, unselfishness, discretion and resiliency, Maurice Herndon, N.A.I.A. manager there, told the eastern agents.

Atlantic City for 1952

E. H. Luecke, agency superintendent of Fidelity & Casualty, presented a number of practical selling ideas at the eastern agents' final session. Mr. Munz, who presided as vice-chairman, asked for a show of hands on whether agents like the conference well enough to continue it. The ayes were unanimous. Next year the meeting tentatively has been set for Atlantic City. Stanley Cowman of Philadelphia invited agents to his town in 1953.

Many of the more than 500 registered for the conference brought their wives, and more than 600 attended the banquet. As is customary at midyear meetings held in New York, Home provided the music and entertainment, and as is customary it was very fine stuff. The record turnout was for America Fore's cocktail party preceding the banquet, which as usual was stimulating, delicious and crowded. Royal-Liverpool was host at the opening evening supper, and even though more agents arrived earlier than were expected, it turned out to be a quite sprightly affair. North British

awarded handsome door prizes at conference sessions.

Because of the combination of eastern regional and midyear meeting of the national board of state directors, the companies were heavily represented by executives. Many held forth at semi-formal headquarters, including Eastern Underwriters Assn., America-Associated, American, Chubb & Son and U. S. Guarantee, Commercial Union and

Ocean Accident, F. & D., Great American, Hanover, Hartford group, Home, North America, Maryland Casualty, New Amsterdam, North British, Pacific Fire group, Phoenix-London, Royal-Liverpool, Springfield group, U. S. Casualty, U. S. F. & G., and Zurich.

Several agents' associations also had headquarters — New York, New York City, Connecticut, New Jersey and Tennessee.

Mild Reaction to Added E.C.

(CONTINUED FROM PAGE 1)

definition of vermin. Mr. Doremus replied there were no squirrels in the definition.

Mr. Doremus vigorously defended the form. To clear up a few misconceptions of agents, he asserted that it was produced in 10, not 18 months; that the companies which brought it out did not consider an all risk endorsement, and that the insurers' studies at no time contemplated meeting the specific petition of any deviation or independent filing.

E.U.A.'s committee sought a form that could be sold to a mass market. It is experimental and reflects courage on the part of insurers.

He noted the Chubb & Son, Atlantic Mutual, and other filings of broad dwelling forms. One of the policies introduces the unsupported theory that perils diminish with size of risk. Rates decline as the amount increases.

Substantial Added Cover

He cited evidence to show that the product is substantial added cover. The supplemental contract when introduced 15 years ago drew criticism from some agents' groups. The form was not perfect, but grew to produce \$250 million in 1949.

He admitted E.U.A. may have been at fault by not explaining in detail the A.E.C. to every state association. There were requests for hearings by agents in some states, though he doesn't think the laws provide for such. The agents' conference committee okayed it in the main. It will take five years to test it. The original E.C. was not sold by ringing doorbells, neither will the extension. Banks and building and loan associations will appreciate this added protection against shock loss.

The cover of ice, snow and freeze can be important, Mr. Doremus said, and cited the more than \$50 millions of damage from ice in the New Orleans area a few weeks ago. It will, he thinks, be added as "a water damage policy."

Glass Breakage Can Be Big

Arthur M. O'Connell, Cincinnati, said a recent loss involved \$116 worth of storm windows in a garage. Thermopane and other picture windows also will run the bill over the \$50 deductible. The companies did want to avoid replacement of a kitchen pane at 4 cents a copy.

Earthquake was not included because

it is a catastrophe cover and underwriters cannot secure reinsurance for it, Mr. Doremus said.

Mr. White noted the restrictions on underwriting applied by writers of broader forms. Mr. Doremus said agents don't have to sell A.E.C., but if they do he hopes agents will tell other agents' methods of placing it inexpensively. It will mean more agency dollars without too much effort.

CONFERENCE IDEA

Mr. White recalled that after the S.E.U.A. case companies abandoned conference altogether and that it was resumed in 1948 on the territorial level, at the instigation of officers of National Assn. of Insurance Agents, on a purely experimental basis.

Final and controlling conclusions are not reached at these meetings since Eastern Underwriters Assn. is an advisory organization, Mr. White said. With successive meetings the tendency grows to speak out and mutual understanding increases.

On many points company representatives are in complete accord with agents. Till underwriting can act quickly in effecting beneficial changes, without going through the many processes that now restrain it, no better method of improving the product agents sell can conceivably be obtained, he declared.

At the recent meeting of the eastern agents' conference committee and the E.U.A. committee, the home owners or comprehensive dwelling policy was discussed at length, Mr. White said. Agents expressed a preference for a package policy on a schedule basis which would permit the property owner to select one or all of the coverages afforded under a multiple line policy. Agents were not inclined toward a comprehensive contract nor the creation of a policy of that nature by use of endorsements. Company representatives estimated that a package but not a schedule policy could be sold at a saving of at least 20% over the present cost of combined coverages. Policies of this type have already been approved in several states.

Using a "pick-up" endorsement whereby credit for existing insurance could be given the property owner at the time of the writing of the comprehensive policy was discussed. The install-

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(Left) W. O. Owen of Missouri department, James Cahill, secretary, and William Leslie, general manager of National Bureau of Casualty Underwriters, in huddle at Zone 3 N.A.I.A. meeting at New Orleans. (Right) Battery of Chicago legal talent at Zone 3 meeting—Chase Smith, general counsel of the Kemper companies; Henry Moser, general counsel of Allstate, and Russell Matthias, member of law firm that is general counsel for State Farm Mutual Automobile. Pictures by Harry H. Fuller of National Bureau of Casualty Underwriters.

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American Home, Casualty, Philadelphia, Pa., London, U.S. and New York and Ten-

ment premium payment plan seemed to be advisable for use with such a policy as long as the term rule remained in effect in its present form. The industry is presently making a thorough study of the type of contract which can be put into uniform use.

A final draft of the one-write policy has been evolved by National Board and is ready for immediate filing. Such contracts have already been filed in Maine, District of Columbia, and Pennsylvania.

Committees in Maine, Massachusetts and New York are presently working to consolidate forms and reduce the number now in use, Mr. Doremus reported.

Reinstatement Recommendation

The rating methods research committee of E.U.A. has recommended the use of the following automatic reinstatement clause: "The reduction in the amount of this policy resulting from loss hereunder shall be automatically reinstated, to the extent of, and concurrently with, the repair or replacement of the property damaged or destroyed."

Agents reported new instances where offers of a large deductible have been made by non-member carriers to institutional and even municipal risks.

The one-write policy has been passed on for filing in all E.U.A. states, Mr. Doremus said.

In connection with the new farm schedule in New England, Mr. Doremus

noted the success in keeping farm business for stock agents of the California plan, on which the New England schedule was based.

Bud Fisher of Hartford said agents disagree with the principle but in its application at least to his business, it isn't satisfactory. Howard Keyes of Wilton, Me., said it is too costly for the average dirt farmer in his state. Mr. Doremus replied that as to Maine, agents can explore with field men the new farm treatment and come out with something more satisfactory for Maine farm establishments where barn, shed and house are apt to be connected because of the severe winters.

By the very nature of the fire business it is stuck with an elephantine structure, Mr. White said. It grew up that way. The localized and regional jurisdictional can't be reconstructed over night.

Hadley Reports on Finances

Preston H. Hadley, Bellows Falls, Vt., presented the financial report. Sage Adams, New Haven, reported on the University of Connecticut-N.A.I.A.-Connecticut agents' annual course in advanced agency management the week of Aug. 13.

Stanley Cowman, head of the Philadelphia association, highly praised conference with companies. He suggested state conference committees where they don't exist.

New Limited Theft Cover On Way

(CONTINUED FROM PAGE 25)

will be provided without additional premium up to a limit of 25% of coverage A but not exceeding \$250, whichever is less.

The limited theft endorsement will afford extended coverage with the fire contract, whereas the policy, being a separate form, will be additional insurance.

The smallest amount of cover available under the endorsement will be \$500. It may be increased in multiples of \$500. If the rate for the first \$500 is charged for each multiple, the sublimits of the endorsement will be increased proportionately. However, if the rate for additional amounts of insurance are charged, sublimits will not increase. As to the policy, minimum is \$1,000. Additional \$500 units may be obtained. If additional multiples are written at the rate for the first \$1,000, sublimits are increased proportionately. If additional unit rates are used, sublimits are not increased.

Not all is rosy on the casualty front, Mr. Cahill said. In the past six months the biggest premium producer, auto liability, has gone sour, and general liability is not good. Inflation is the core of the trouble. Average paid claim costs for liability have risen steadily and promise to go higher. Claim frequency has gone up 5% country wide. New York state is the worst. Rate revisions country wide are being prepared to reflect these conditions. He said he was confident agents recognize the necessity of higher rates and asked for agent cooperation. Otherwise, the market for auto liability will dry up; some companies will go broke. Agents' commissions will rise somewhat, which will help meet their increased costs of operation.

Roy Duffus, Rochester, wondered how agents can provide medical payments for the garage liability risk without paying \$400 or \$500. Usually they want it on only a few of those affected by the garage policy.

E. Albert Rossmann, Baltimore, said farm bureau insurer competition is still tough on auto. Mr. Cahill said that is one reason the companies have been reluctant to raise rates. Now they have no alternative. Farm bureaus may select business within an area—rural risks; and claim settlements.

Mr. Cahill reviewed recent garage liability policy changes, stating that pleasure use now is restricted to officers, partners or members of their families but for them is not limited and the

cover is not charged for.

The amendments of last Feb. 19 accomplish a certain broadening by amendment of exclusions. The most notable of these relates to cover of autos rented to salesmen-employes. It is common practice for dealers to rent cars to employe-salesmen for business use, the charges usually being of a minor nature and varying according to the extent of pleasure use involved. If no rental charge were made for these cars, complete cover would be afforded under regular policy provisions. The exclusion was not intended to apply to this type of rental operations. Now it does not.

The exclusion was amended relating to haulaways, tank trucks, tank trailers and tractors used therewith, owned, hired or held for sale by named insured, to provide cover for delivery as well as demonstrating and testing. The policyholder now has cover while such units are in transit from the factory, railroad or other transportation point to the sales agency location, also for delivery of such equipment to customers.



C. H. Metzner of W.U.A. staff and Peter Eriksen, manager of Underwriters Service Assn. of Chicago, at W.U.A. meeting at St. Augustine.

Wisconsin Midyear Meeting Program Is Completed

Program for the midyear meeting of Wisconsin Assn. of Insurance Agents at Madison April 24, has been completed. The business session will start the meeting, with President George A. Timm, Kenosha, presiding.

Arthur M. O'Connell, Cincinnati, chairman of the property insurance committee of N.A.I.A., will discuss the new one-write fire policy and the new E.C. endorsement. Gov. Kohler and other executive officers are to be luncheon guests, and members will invite their assemblymen and senators.

Featuring the afternoon session will be a highway safety panel, of which E. H. Westwick, field representative of Assn. of Casualty & Surety Companies, will be the moderator. Speakers will be Gerald O'Connell, director of training Northwestern University traffic institute, on "Enforcement and the Part It Plays in Accident Prevention"; Dr. Marland K. Strasser, educational director Assn. of Casualty & Surety Companies, "Education and the Part It Plays in Accident Prevention"; R. C. Salisbury, safety director Wisconsin motor vehicle department, "High School Education and What It Is Doing for Wisconsin." Mr.

Westwick will conclude with a talk on "The Wisconsin Agent and the Part He Can Play in Accident Prevention."

State Officials Are Guests

Members of the Illinois insurance department were special guests at the dinner meeting Monday of Adjusters Assn. of Central Illinois at Springfield. Principal speaker was James Cullen. The president of the association is William S. Messersmith of Decatur.

Conference for Young Agents

A young agents conference will be held at Granville, O., May 23-24 under the auspices of Ohio Assn. of Insurance Agents. Robert S. Bishop of the Dewey C. Black agency, Columbus, will be chairman. The program is being arranged by Joseph C. Perin, educational director.

Marjorie Eister has been elected secretary of the Allen T. Archer Co. agency at Los Angeles. Mrs. Eister joined the agency in 1925, was with Johnson & Higgins during the '30s, and later returned to the agency. She served two years as assistant secretary of Insurance Brokers Society of Southern California.



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Full Agenda Is Reviewed by National Directors

(CONTINUED FROM PAGE 1)

inherently there is a vested right in an insurance agent to the total commission applicable to the insurance so written as provided in the agency agreement, for the full term for which such policies respectively have been written or renewed, irrespective of how, or by whom, subsequent collections of premium installments may be made, and irrespective of the termination of the agency, either by the company or by the agent."

President Miller appointed a special metropolitan agents committee composed of 17 agents from principal cities.

Emil L. Lederer, Chicago, is chairman and heads the program planning unit of the committee. The latter consists of Thornley B. Wood, vice-chairman, Philadelphia; L. H. Trout, St. Louis; Kenneth W. Faunce, Boston; and Lawrence E. Benson, Minneapolis. Others on the metropolitan agents committee are E. B. Berkeley, Cleveland; John M. Hennessy, Louisville; Frank A. Doyle, Baltimore; John C. Weghorn, New York City; Charles L. Nevens, Detroit; Leonard M. Wise, New Orleans; Thomas A. Harmon, Seattle; H. H. Corson, Nashville; W. Eugene Harrington, Atlanta; J. L. Ashton, Milwaukee; Walter Stevenson, Miami; George V. Kane, Houston.

O'Connell Reports

Arthur M. O'Connell of Cincinnati, chairman property insurance committee, said adoption of the one write policy is an accomplished fact. The objections to the added E.C. generally are based on local peculiarities, he said. River towns want flood, coastal residents wave wash, and certain areas earthquake. Competitive forms are being sold on a very restrictive basis. The form is too long, repetitious, sometimes irrelevant and on a few points ambiguous. But this can be said of other forms written every day.

The committee still opposes deductibles. Just because it is practiced at the penthouse level doesn't negate the basic principle. Too often expediency enters into approval of such plans, because "we are concerned over trend of outside interests, for example insurance buyers, to intervene in insurance legislation," Mr. O'Connell said. Buyers are involved in such legislation in a completely unwarranted way. Some companies, public utilities for instance, have used their influence for or against legislation. They almost completely dis-

regard insurance future and agency welfare.

Hugh K. Dawson, vice-president of the Cleveland Board, told the executive committee of the anti-trust action there, no financial help was asked. He then told the story to the board of state national directors. He requested no action or comment from the board. An adverse decision, he averred, would be the end of all trade organizations, including National Board, N.A.I.A., etc. The board is going to fight to the finish. He asked for the moral support of other agents.

K. P. Laughlin, acting director of the fire service division of Office of Civilian Defense, discussed protection against wartime fires. President Melvin Miller promised full cooperation.

George Miller of Montana proposed a telegram to Roger Clarke of Virginia, who is ill. A scroll was presented to L. P. McCord, Jacksonville, Fla., for his years of work on the educational committee and named him dean emeritus.

Puerto Rico Represented

Jose Hernandez, state national director, Adolf Steffens and Ralph Frasqueri of Puerto Rico were introduced. They have invited N.A.I.A. to hold its 1954 meeting in P. R.

Maurice Herndon, manager of N.A.I.A. at Washington, D. C., reported on war damage, bonding of government employees, marine war risk insurance, aviation war cover, and the work of the office in maintaining grass roots contacts with Washington officials.

Past presidents O. Shaw Johnson, John C. Stott, David North, Allan I.

Wolff, Frank Bell, and Guy Warfield, were introduced.

The board adopted the report of the commission committee by a vote of 40 to 9.

Walter H. Bennett, counsel of N.A.I.A., discussed the supplemental federal tax on unrelated business income of state and local associations.

Long Haul Trucking Situation

The long haul trucking research committee, headed by Walter S. Attridge of Boston, said a small committee of insurance company executives has been created to communicate with other agency companies to determine if a sufficient number of insurers will adopt the Attridge committee's recommendations on writing this class. A report is expected in mid-May.

Some of the company executives have asked the agents' committee to publicize their names to N.A.I.A. membership as writing the business on its merits. This has not been done so far, to give all agency companies every chance to go along with the committee. If the efforts of the company committee fail, however, after another contact has been made, names of companies writing the business will be publicized.

The Attridge committee submitted its report to the executive committee and National Board.

Capt. John F. Neville, former executive secretary of N.A.I.A., who is now in the army, attended some of the weekend sessions of the executive committee.

Harold S. Hays of Oregon said his association is opposed to unemployment compensation disability and believes

N.A.I.A. should firmly oppose it in any form, not regard it as inevitable. He proposed a statement to this effect, to be voted on at Chicago in September. It was carried.

Carleton Fisher of Providence commented on the American Agency Bulletin. He referred to the fact that the Bulletin turned down an article by an agent member because the board already had decided the issue. The article expressed contrary views. Mr. Fisher said the board has no authority over Bulletin policy, the executive committee has it.

Chairman Miller said that rather, running the Bulletin is the responsibility of the headquarters staff and the executive committee. One agent noted a big improvement in the Bulletin.

Robert Maxwell of Arkansas reported on the review of executive committee minutes. The territorial conferences were briefly reviewed.

Report Out Wis. Bill to Tax Domestic Mutuals

MADISON, WIS.—A bill to tax domestic mutuals, except town mutuals and fraternals, has been recommended for passage after a hearing by the assembly committee on insurance. There was strong opposition from the mutuals, but the vote was 6 to 1 to report out the measure.

Representatives of stock companies, fire and casualty and life, which are already taxed, declared the burden of taxation on them was unfair. Wisconsin is the only state which taxes life companies under an income tax plan.

Under the bill, the present tax of 2 1/2% would be reduced to 2% of gross premiums for out-of-state fire and marine companies. It would require domestic stock and mutual fire companies, except town mutuals, to pay 1/2% on gross premiums for direct insurance, less dividends.

Opponents of the bill emphasized that domestic mutuals have never been taxed by the state and charged discrimination in favor of town mutuals. They also asserted that any tax imposed on them would deprive the mutuals of the surplus needed for protection of policyholders.

Insurance Proposals Fail

JEFFERSON CITY, MO.—Amendments backed by insurance interests to a senate bill regulating small loan companies operating in Missouri were rejected by the house as it passed the measure by a vote of 107 to 16. The bill was sent to Gov. Smith for his signature.

One of the amendments would have limited insurance to coverage of commodities purchased in connection with consumer credit loans, thereby prohibiting the requirement of life or A. & H. insurance in connection with loans. Another amendment was aimed at the practice of loan companies requiring borrowers to take out insurance in some form as a contingency for obtaining a loan. Another sought to have insurance premiums considered as a part of the interest payment. Other amendments defeated would have prevented employees of loan companies from being licensed as agents or brokers and would have limited small-loan licenses to Missouri individuals or corporations.

The bill as passed places small loan companies under the jurisdiction of the state division of finance, and gives it power to make rules and regulations governing their operation.

Elgin Agency Reaches 50th Year

The Joe H. Jones agency of Elgin, Ill., is celebrating its 50th anniversary. The agency was established in 1901 by Joseph Jones who passed away in 1940. At that time the agency was taken over by his daughter, Hazel L. Jones, who had been working with her father for several years. Eugene A. Krueger became a partner in the agency four years ago. The Jones agency represents Standard Accident and Mr. Krueger is a former field man for that company.

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M. L.



Leisurely trio at W.U.A. meeting at St. Augustine: Roger Billings, assistant western manager of Great American; W. L. Braerton, Denver general agent, and W. E. Newcomer, western manager of Great American.

The

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Selling Task

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at a
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Fritchle New Rocky Mountain Chairman

(CONTINUED FROM PAGE 2)

appears that the companies are cognizant of our problems, and since it appears we can now go to them for open and honest discussions, I for one, welcome this tremendous change, and will cooperate with the whole industry for the good of all. Let us approach the problems honestly."

Following Mr. Ashton's presentation there was an exchange of opinions from some different segments of the industry in the audience. Chairman James M. Kellett of Denver brought the show to a conclusion with the statement: "We are not here to criticize, but to build for the future."

Public Relations Presentation

One of the big hits in the two-day program was the presentation, "Local Agents Relations with the Community." Participating were Richard E. Farrer, secretary of National Fire; J. Edwin Stein of Provo, president of Utah Assn. of Insurance Agents, and Houston Waring, editor of the Littleton, Colo., "Independent."

Mr. Farrer defined public relations as "the art of making people see you as a good neighbor, a good business man and a good citizen."

In order to have good public relations, he said, "we must know how to influence public opinion. This can be done by persuasion—by talking to groups and attending meetings where you are seen and seen others; through the radio and newspapers, and by advertising."

Mr. Stein dealt with the local board and public relations. He said several items must be taken into consideration—the number of members in the board, the amount of funds that can be budgeted and more particularly the number of individuals within the board who can and will exert the time and energy required.

He told of the situation in his own city only a few years ago, when the local board was thoroughly disorganized. However, there were three or four agents who were willing to undertake the task of improving conditions no matter how much time and effort might be required.

The program they evolved was designed to prevent the city's rate classification from being changed from 6 to 7. They worked with National Board and the city commission, showed how an increase in the municipal tax rate would result in larger insurance savings, and sold the program. The board now controls all the city business, school business, and is now working on the county business. The rate, rather than being changed from 6 to 7, was lowered to 5 as a result of the work done by the local board.

Editor Gives His Views

Mr. Waring, whose Colorado newspaper office was photographed by the State Department as the subject of a movie showing how a newspaper works in a democracy, gave an extremely humorous talk that was not without some extremely well-aimed barbs. "Is our insurance," he asked, "as economical as it should be to keep the government from getting into it? Are we giving clients advisory and inspection service (one agent in 25 years offered to give him help, he said). Are we using trained men to sell insurance? Are we avoiding restrictive practices which are against the public interest?"

Mr. Waring said that in his small town a merchant who supposed he had \$6,500 coverage on his building suffered a loss only to learn that the policy had expired and the agent failed to notify him of the fact. "I've had it happen to me, too," he said.

"You want to tell the public about the services you render. Tell the school kids—they will go home and tell Mother and Dad. Tell the service clubs. Have an advertising campaign in the local paper," Mr. Waring suggested.

M. L. Burg, special agent Phoenix of

Hartford, Denver, outlined the public relations program of Fire Underwriters Assn. of the Mountain States, which is to be developed on a grass roots level on a permanent basis, to acquaint the public with the services rendered by organization capital stock insurers and to make capital stock insurance easier to sell.

Agent-Adjuster Relations

E. A. Cowie, secretary of Hartford Accident, in charge of the casualty claim department, spoke on "Public Relations as Related to Claims." He said the adjuster can not do a public relations job all by himself. "He needs all the help he can get and the agent is of all people the one best able to give that help."

He feels that the adjuster should advise the local agent of good prospects for insurance encountered as claimants, and also of loopholes in the coverages of existing insured. He said an agent is entitled to receive courteous and prompt service from his adjuster, "so that claimants and insured will at least have respect for the industry, even if they are not happy about what they received in an individual claim."

Joseph F. Leopold, southwestern manager for National Tax Equality Association, Dallas, made a plea to "Tax the Untaxed Now."

More than 450 attended the banquet, when D. D. Monroe of Clayton, N. M., spoke on international affairs.

New Defense Rating Plan Less Harsh

(CONTINUED FROM PAGE 25)

and tax multipliers based on individual state taxes will be applied in determining the final premiums.

Policies will be written for a term of one year and will provide for automatic renewal at each anniversary. Tie-in endorsements will be used to make the plan applicable on an overall basis from inception to cancellation or expiration.

The plan will be applicable to all operations of a risk where at least 90% of the payroll is developed under eligible government contracts and the remaining operations are not susceptible of separation.

How Rates Are Based

Standard premium for all policies will be based on rates applicable to payroll. Compensation rates will be those in effect under the manuals of the National Council on Compensation Insurance or independent state bureaus where National Council does not have jurisdiction. For liability insurance, composite payroll rates are set forth in the plan for both automobile and general liability coverages.

In the case of risks presenting an abnormal hazard because of the manufacture or handling of explosives, the plan provides that premium from losses in excess of stated amounts per accident will not be subject to the maximum premium limitation. This procedure has enabled the government to avoid extremely heavy excess limits charges on these risks.

Effective for Any Risk

Mr. Kane said that the plan could not be made effective for any risk submitted to the insurance departments of the various states for approval in accordance with the state laws. He added that the various rating organizations were prepared to file the plan at once. Prompt approval was urged, since the volume of defense contracts being let has already assumed major proportions, he said.

The insurance service agreement also was approved by the Munitions Board. Based on the experience with a similar plan set up in 1941, the scope of the work actually done by the advisers is

more clearly stated in this agreement. Visits are not required monthly, but only as requested by the contractor or deemed advisable by the adviser in order to handle matters properly. Detailed reports are to be made quarterly, instead of monthly as previously required, with provision for special reports as may be necessary. Statements of the aggregate standard premium and earned advisers' fee are to be submitted quarterly instead of monthly.

Instead of being applied to 50% of the standard premium as was done by the military departments after September, 1942, the new scale of advisers' fees is on a 90% basis.

Scale of Advisers' Fees

For the first \$10,000 of standard premium, the advisers' fee is 7 1/2% of 90% of the standard premium. For the next \$40,000 the rate is 4%; for the next \$50,000 it is 2%; for the next \$150,000 it is 1%; for the next \$750,000 it is 5% and above that it is 2.5%.

Contractors operating under the new national defense projects rating plan will employ their advisers on domestic jobs, subject to government approval, under the terms of the new advisers' agreement.

With the defense projects rating plan out of the way, Mr. Kane plans to con-

centrate on working out details of a group life, health, accident, hospitalization, etc., plan for application to defense contractors.

Excess Cover on N. C. State Buildings in 8 Companies

(CONTINUED FROM PAGE 1)

proving excess cover forms in North Carolina. It had not been done previously, since no plan had been filed. However, Commissioner Cheek wrote an approval for the companies to handle excess cover on the state's buildings. This was taken as a certain indication he will approve the excess cover plan for private business when it comes before him. Such a plan is on the way, North America now having on file with North Carolina Fire Insurance Rating Bureau a \$100,000 deductible plan.

Report on Memphis Meeting

Reports of the mid-west territorial conference at Memphis were given Wichita Assn. of Insurance Agents by President Joe Moddrell and Dwight Smith of Smith, Stone & Snyder. Considerable discussion of the new extended coverage endorsement followed.

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INSURANCE NEWS BY SECTIONS

EASTERN STATES ACTIVITIES

Give R. I. Agents' Midyear Program

The program has been completed for the midyear meeting of Rhode Island Assn. of Insurance Agents in Providence April 30. The afternoon and evening session will open with a business meeting followed by a discussion of business interruption insurance. The panel for the latter consists of Paul A. Colwell, vice-president Gross agency, Providence; J. Robert Adams, manager engineering and service department Providence Washington; Owen J. Jones, General Adjuster Bureau branch manager, and Raymond W. Hawkins of Sanderson Brothers, Providence, moderator.

A second forum on comprehensive general liability will feature Kenneth E. Norris, underwriting manager of C. D. Paige & Co. agency, Providence; Lester R. Dingwell, special agent of Employers group, Boston; A. Scott Crannell, deputy superintendent of Providence Washington Indemnity, with Howard R. Chase, Jr., chief casualty underwriter of Starkweather & Shepley, Providence, as moderator.

Following an interlude for refreshments and fellowship the midyear banquet will be held. President Robert S. Preston, Providence, will preside and introduce guests and the speaker, William Cunningham, sports writer and after dinner speaker.

Plan to Hold Institute at R. I. This Year, Each Year

The extension division of the University of Rhode Island will hold its annual insurance institute on the campus at Kingston July 2-Aug. 10. The first institute last summer proved so successful plans are to hold it annually. The six weeks course, consisting of lectures and discussions in classroom problems on general principles of insurance, fire, casualty, automobile, inland marine and suretyship, is being offered in cooperation with the Rhode Island Assn. of Insurance Agents, the state insurance department and the university's insurance education advisory committee.

George E. Lonergan, superintendent of education of Employers group, will be the principal instructor. Registration is limited to 35. Commissioner Bisson is chairman of the advisory committee and John R. Hackett is director of the extension division.

Schinnerer May Be Next D. C. Agents President

WASHINGTON — Henry Young, nominating committee chairman of District of Columbia Insurance Agents Assn., will submit a report at a meeting of the trustees April 23. The election is at the May 11 luncheon.

Henry Dudley, vice-president, and Mr. Young are bowing out of the officers-succession line, owing to business and personal affairs.

Victor Schinnerer is reported slated for the presidency and William d'Espard for first vice-president.

At the April 13 luncheon a talk was given by Robert I. Catlin, vice-president of Aetna Casualty, on trends in the casualty field. He emphasized particularly the forces that are playing havoc with bodily injury settlements.

Storrs Instructors Named

A prospectus has been distributed for the C. P. C. U. Institute at University of Connecticut at Storrs, June 19-21. This is put on jointly by Connecticut

C. P. C. U. and University of Connecticut school of business administration.

The lecturers include Robert M. Babitt of Joyce & Co., Chicago; A. H. Criddle, Ostheimer & Co., Philadelphia; William H. Rodda, Transportation Insurance Rating Bureau, Chicago; Milton W. Mays, Insurance Executives Assn.; George G. Gibson, state agent of London & Lancashire at Louisville; Dorsey B. Kinnamon of Pippin, Kinnaman, Taylor & Dawes, Wilmington; Gerald E. Myers, W. A. Alexander & Co., Chicago. The chairman is R. E. Farrer, secretary of National Fire, and Lawrence J. Ackerman, dean of the school of business administration, is in general charge.

Producer Forum on A.E.C. at Philadelphia April 24

A discussion of the additional extended coverage and similar policies by company representatives and agents will be conducted April 24 in the auditorium of North America at Philadelphia. Sponsoring organizations are Insurance Society of Philadelphia, Insurance Agents & Brokers Assn. of Philadelphia and Suburbs, Underwriters Club (field men), Casualty & Surety Managers Assn. of Philadelphia.

F. W. Doremus, manager of Eastern Underwriters Assn. and H. A. Taylor, Jr., vice-president of Chubb & Son, will speak. On hand will be Arthur Harrity and Cecil Harvey of the Pennsylvania insurance department. Objective is to give producers a chance to discuss the form as it has been approved in Pennsylvania. Some confusion exists because there have been several editions of the A.E.C.

COAST

C.P.C.U.'s to Stage Seminars at Big L. A. Insurance Day

LOS ANGELES — Pacific C.P.C.U. chapter will stage an all-day program of seminars in connection with Greater Los Angeles Insurance Day, to be held at the Biltmore hotel, May 23. The affair is being sponsored by the various insurance organizations of southern California.

Chairman of the C.P.C.U. seminars will be William E. Brady, Founders. Speakers will be K. M. Hough, resident vice-president Anchor Casualty, "Contractual Liability;" Easton Rhodes, Miller, Kuhrt & Cox, "Multiple Line Contracts;" George R. Neal, Employers Casualty, "Excess and Deductible Insurance;" and Gener Groff, Hindman & Davis, insurance attorneys, "Tax Problem Under U. & O. Recovery." Discussion will follow the talks.

Mutual Managers Rally

The managers of mutual companies from Los Angeles and San Francisco held a two-day meeting at Santa Barbara.

William Bruce, chief of examinations and financial analysis of the California department, gave a talk. Other speakers included E. L. Poor of American Mutual Alliance, on legislation; H. O. McPherson of Northwestern Mutual Fire and H. L. Wilson, Liberty Mutual, on Manpower in Today's Market; Harry Petrey of Central Manufacturers Mutual on All-Risk Endorsements; D. W. Onstead of Hardware Mutuals on "Stop Onsteads on Fire and Casualty Rates"; Ward Webb, Michigan Millers Mutual, on Discrimination in Rates and Forms, and J. C. Mulvaney of Hardware Mu-

tual of Minnesota on war damage insurance.

Brook G. Davis of Lumbermen's Mutual Casualty is president of the Los Angeles contingent and J. Folger Allen of Liberty Mutual Fire is San Francisco president.

National Board to Inspect San Francisco

The National Board will make a special inspection of San Francisco's fire-fighting facilities with a reduction in the city's fire insurance rates possible. The inspection will center around various improvements carried out during the past three years, in accordance with recommendations made by the board at that time.

Included among the many improvements are the installation of two-way radio between the fire chief's cars and division headquarters, expansion of salvage corps facilities, replacements of obsolete hydrants and hose and the addition of modern equipment, notably two 100-foot aerial ladders scheduled to be in operation within two or three months, 12 new pumper, new tank wagons and high pressure batteries.

If the new equipment passes the inspection, the board would then order a detailed survey of all fire defenses and risk factors. Survey finding would then be referred to the Pacific Fire Rating Bureau for possible classification from class 3 to class 2 for insurance rate purposes.

Reclassification would mean a rate reduction of from 5 to 6% for dwellings, from 8 to 9% for apartment buildings and boarding houses, and approximately 5% for mercantile and industrial buildings.

Insurance Women of Los Angeles on April 27 will present the old time melodrama, "Fireman Save My Child", and an olio. Ida Fidler will direct the program.

SOUTH

Speakers for Oklahoma Annual Meeting Announced

Speakers have been announced for the annual convention of Oklahoma Assn. of Insurance Agents, to be held May 14-15 at Oklahoma City.

Melvin J. Miller, Fort Worth, Tex., president of the National association, is on the program. Other speakers are Arthur M. O'Connell, Cincinnati, chairman of the N.A.I.A. property insurance committee; Ralph Berry, American Appraisal, Milwaukee, and John Leslie, editor of the Insurance Record.

A special program is being prepared for the ladies and the rural agents' breakfast again is scheduled.

Va. Rate Hearing Postponed

Virginia corporation commission has postponed to May 9 a hearing on higher rates for churches, motion picture theatres and certain other types of buildings. Virginia Insurance Rating Bureau has petitioned for boosts of about 25%. Besides churches and theaters, peanut factories, tobacco warehouses and fertilizer plants would be affected.

Dallas Membership at 400

Insurance Club of Dallas has leased 6,000 square feet of space on the mezzanine floor of the Adolphus hotel for its headquarters. Membership is now about 400 and it is expected another 100 will be recruited from Dallas county as well as an additional 200 from outside the county. The formal opening of the club will probably be held during the first week in May.

MIDDLE WEST

Colburn Renamed President of Iowa Mutual Agents

DES MOINES — Duane L. Colburn of Sac City was reelected president of Iowa Assn. of Mutual Insurance Agents at the annual meeting here. L. V. Miller of Cedar Falls was named vice-president and Fred Meyer of Aplington was reelected secretary.

Insurance Director Stone of Nebraska warned that the federal government "is far deeper in the insurance business than most people imagine." He said Uncle Sam provides workmen's compensation and retirement and disability protection for civil service employees and also insures crops, bank deposits, mortgage loans, old age, unemployment insurance, etc.

Mr. Stone lashed out at government personnel and laymen who believe that all forms of financial security are the responsibility of government and who deride the system of free enterprise.

P. L. Baldwin, Washington, D. C., executive secretary of the National association, declared that recent testimony of insurance representatives before the House ways and means committee "disproved charges that income taxes on mutual companies need revamping upward."

Mich. Bill Would Widen Farm Fire Mutuals' Scope

LANSING, MICH. — An anticipated bill designed to liberalize the farm fire mutual law, permitting such insurers to write dwellings in city territory and to broaden their coverage to include windstorm and inherent explosion hazards, has been introduced in the Michigan legislature.

The measure is expected to draw opposition from the windstorm mutuals which might be seriously affected by the added competition. It is expected that Michigan Assn. of Insurance Agents also will offer opposition.

Under the bill, farm mutuals would be allowed to write dwelling and out-building risks up to \$5,000 in urban territory. At present their operation is limited to towns of not more than 4,500.

The bill would permit these insurers to obtain reinsurance from non-admitted companies if they were unable to negotiate reinsurance contracts with licensed insurers. They could not write windstorm coverage unless there were a spread of risk throughout five or more counties. They would be allowed to write non-assessable contracts if they maintained a surplus equal to the required capital of stock companies writing the same lines.

New Cleveland Agency

William E. Wilson, formerly with Aetna Casualty at Cleveland, has formed a new agency at Shaker Square known as Wilson & Co. Mr. Wilson entered the business in 1935 while attending law school and then went to the Aetna home office school in 1937. He is an insurance instructor at Cleveland college of Western Reserve. Also associated with the agency will be Vincent J. Wilson. He entered the business in 1924 and was with the old W. G. Wilson general agency of Aetna and more recently with the Aetna branch. Company representation will consist of Aetna Casualty, Automobile, Royal and North River.

Insurance Women of Madison, Wis., have elected Miss Milda Dunn president; Mrs. Beverly Sundby, vice-president; Miss Virginia Brusow and Miss Vera Maynard, secretaries; Miss Dorothea Wyss, treasurer. Miss Marie Cody and Miss Dunn will be delegates to the national convention at Houston, June 20-22.

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If one of your clients bought a car, a painting or any-
thing worth \$3,000 or more, you'd rush to insure such
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Yet, half of all American families have annual incomes
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*U. S. Department of Commerce —
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the *Redeemed captive*

He "passed
through great
tribulation"



*Tomahawk-pierced 3" oak
door of Sheldon's tavern may
still be seen in Deerfield.*

Almost every house was burned, many townspeople were slain, many others taken captive in the Deerfield massacre of 1704. Rushing forward, stopping, then rushing on again so that the sound of their feet on the snow might simulate gusts of wind, French and Indian marauders had approached the sleeping town. Then climbing on snowdrifts, they leaped over the stockade. Taken by surprise, the citizens were overwhelmed. Next morning more than a hundred captives were marched off through the icy wilderness to Canada.

Among those who suffered greatly was Deerfield's pastor, the Reverend John Williams. He and his family were dragged from their beds and taken captive, his home burned, two of his infant children killed outright. On the first day's journey his wife was slain as were others of the weak and aged. In Canada, Williams and his surviving children were separated. After two years he was ransomed and later described his ordeal in a book, "The Redeemed Captive."

Rejecting calls from other towns, Williams returned to Deerfield where his parishioners built him the above home to replace the one that was destroyed. Possibly because of his past bitter experiences it is said Williams insisted that a secret passage be built around the chimney, running from cellar to attic.

Williams' eight-year-old daughter Eunice who was adopted by Indians on arrival in Canada refused to be ransomed and eventually married into the tribe. Though she paid brief visits to Deerfield in later years, she could not be persuaded to abandon Indian customs, preferring squaw attire to other clothing and showing a partiality for sleeping on the floor instead of in a bed.

Parson Williams' house, where he lived from 1707 to his death in 1729, is now owned by Deerfield Academy. It is one of twenty pre-Revolutionary homes in Deerfield—all sturdy reminders of the courageous Massachusetts colonists.

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